

6468. By Mr. SMITH of Michigan: Resolutions adopted by the Evangelical Churches of Marshall, Mich., and petitions of other residents and Young Women's Christian Associations of Michigan, urging further action on the part of our Government in order that the freedom of Armenia and the liberation of the Greeks from the rule of the Turks may be secured at an early date; to the Committee on Foreign Affairs.

6469. By Mr. WOODS of Virginia: Petition of the Virginia Ashur Business Women's Council, of Lynchburg, Va., on conditions in Near East; to the Committee on Foreign Affairs.

## SENATE.

MONDAY, November 27, 1922.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our gracious Father, we thank Thee for yesterday and its sanctity. As we turn our thoughts toward this day and week we ask Thine own guidance, and that through the week we may realize how good it was to rest and worship on Thy day. So enable us to enter into all the duties which sanctify the heart and high purposes to do Thy will. We ask in Jesus Christ's name. Amen.

HENRY F. ASHURST, a Senator from the State of Arizona, BERT M. FERNALD, a Senator from the State of Maine, ANDRIEUS A. JONES, a Senator from the State of New Mexico, GEORGE P. McLEAN, a Senator from the State of Connecticut, HARRY S. NEW, a Senator from the State of Indiana, LAWRENCE C. PHIPPS, a Senator from the State of Colorado, MILES POINDEXTER, a Senator from the State of Washington, and JAMES A. REED, a Senator from the State of Missouri, appeared in their seats to-day.

The reading clerk proceeded to read the Journal of the proceedings of Friday last when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

### COMMITTEE SERVICE.

Mr. UNDERWOOD. Mr. President, I desire to have a unanimous-consent order entered making some committee assignments on this side of the Chamber. Since the close of the second session, on account of the death of former Senator Watson, of Georgia, and the election of the Senator from Delaware [Mr. BAYARD] to fill a vacancy, there are two Senators on this side without committee assignments. The only committee assignments that we had were those left by the death of Senator Watson, vacancies on the Committee on Civil Service, the Committee on Claims, the Committee on Immigration, and the Committee on Post Offices and Post Roads. To help us in the matter, and in order that we might give both new Senators assignments, the senior Senator from Ohio [Mr. POMERENE] has very kindly offered to resign from the Committee on the District of Columbia. I therefore ask that the resignation of the Senator from Ohio from the Committee on the District of Columbia may be accepted, and that a unanimous-consent order may be made assigning to the Senator from Georgia [Mr. GEORGE] the vacancies on the Committee on Post Offices and Post Roads, the Committee on Immigration, and the Committee on Civil Service, and to the Senator from Delaware [Mr. BAYARD] the vacancy on the Committee on the District of Columbia caused by the resignation of the Senator from Ohio [Mr. POMERENE] and the vacancy on the Committee on Claims caused by the death of former Senator Watson, of Georgia.

The VICE PRESIDENT. Without objection the order will be entered by unanimous consent.

Mr. POMERENE, on his own request, was excused from further service as a member of the Committee on the District of Columbia.

Mr. UNDERWOOD's order was reduced to writing, as follows:

*Ordered*, That Mr. GEORGE be assigned to service on the following committees of the Senate, viz, Civil Service, Immigration, and Post Offices and Post Roads, and that Mr. BAYARD be assigned to service on the Committee on Claims and the Committee on the District of Columbia.

### PETITIONS AND MEMORIALS.

Mr. TOWNSEND presented a resolution of the Army and Navy Club, of Detroit, Mich., protesting against any further reduction of the armed forces of the United States, which was referred to the Committee on Military Affairs.

He also presented a resolution of the Michigan Annual Conference of the Methodist Episcopal Church, at Albion, Mich.,

favoring the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a resolution of the Michigan Annual Conference of the Methodist Episcopal Church, at Albion, Mich., favoring an amendment of the Constitution prohibiting polygamy, which was referred to the Committee on the Judiciary.

He also presented a resolution of the Michigan Annual Conference of the Methodist Episcopal Church, at Albion, Mich., favoring an amendment of the Constitution providing uniform marriage and divorce laws, which was referred to the Committee on the Judiciary.

Mr. LADD presented petitions of Carl Lindholm and 3 others, of Lisbon; John Heupel and 27 others, of Medina; Frank Dvorak and 4 others, of Center; John Weber and 31 others, of Temvick; A. L. Smoody and 9 others, of Courtenay; R. I. Emerson and 7 others, of Drady; Jerrie Mezet and 25 others, of Beach; Mrs. J. C. Jensen and 21 others, of Overly; John Uleberg and 8 others, of Portal; George E. Howden and 6 others, of Sutton; August Widmer, sr., and 20 others, of Crete; Sam Larson and 27 others, of Lankin; Iver Jacobsen and 5 others, of Nome; John Dox and 9 others, of Bindord; George Greatsinger and 23 others, of McHenry; Emil Richter, sr., and 9 others, of New Salem; Peter Kitzinger and 7 others, of Oakes; J. H. N. Schmit and 27 others, of Kenmare; H. A. Kariger and 19 others, of Fessenden; and Millie Volbrecht and 55 others, of Kramer, all in the State of North Dakota, favoring the enactment of legislation stabilizing the price of wheat, which were referred to the Committee on Agriculture and Forestry.

### RETIREMENT OF ASSOCIATE JUSTICE PITNEY.

Mr. NELSON. Mr. President, from the Committee on the Judiciary, I report back favorably, without amendment the bill (S. 4025) to permit Mahlon Pitney, an Associate Justice of the Supreme Court of the United States, to retire, and I ask for its present consideration. I also ask leave to make a brief statement.

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

*Be it enacted, etc.*, That the provisions of the Judicial Code, section 260, as amended by the act of February 25, 1919, chapter 29, section 6, be, and they are hereby, extended and made applicable to Mahlon Pitney, an Associate Justice of the Supreme Court of the United States, in consequence of his physical disability, notwithstanding he has not attained the age of 70 years as required by the aforesaid provisions: *Provided, however*, That the said Mahlon Pitney shall resign the said office of Associate Justice of the Supreme Court of the United States within two months after the passage of this act.

Mr. UNDERWOOD. Mr. President, if the Senator from Minnesota will permit me, personally I understand the case and am favorable to the bill, but it is an important measure and, while I have no objection to it, I think there should be some explanation placed on the record of the Senate before we pass it.

Mr. NELSON. Mr. President, I will make a brief explanation.

The evidence before the committee was submitted in the form of the certificates of four prominent physicians. Those certificates indicate that Justice Pitney is suffering, first, from a hardening of the arteries; second, from Bright's disease; and, third, that he has had a stroke of apoplexy. Everything indicates that he is incapacitated and will be incapacitated for performing any such labor as is required of a Justice of the Supreme Court. I have the original certificates before me, but unless Senators care about it, I shall not take the time to read them.

Mr. UNDERWOOD. I think the explanation is entirely satisfactory and I would suggest that the Senator have the certificates printed in the RECORD.

Mr. NELSON. I submit the certificates for printing in the RECORD.

The VICE PRESIDENT. Without objection, the certificates will be printed in the RECORD.

The certificates are as follows:

MORRISTOWN, N. J., October 27, 1922.

DEAR MR. CHIEF JUSTICE: I have been attending Justice Pitney since August 1. He is suffering from cerebral arterial sclerosis and chronic nephritis, and on August 10 he had a mild attack of cerebral thrombosis from which he has partially rallied.

I believe that any mental effort would aggravate his condition and result seriously.

The consulting physicians agree with this conclusion.

Yours respectfully,

WILLIAM A. MCMURTRIE, M. D.

NEWARK, N. J., October 31, 1922.

MY DEAR MR. CHIEF JUSTICE: Yesterday I saw Mr. Pitney for the third time since August in conjunction with his physician, Doctor McMurtrie.

Mr. Pitney has had at least one light "stroke" due either to thrombus or an embolus. At present his condition is poor. He has, as the fundamental cause of illness, a general arteriosclerosis (hardening of the arteries), affecting in particular those blood vessels which supply the brain.

With this there are (1) a moderate degree of chronic nephritis (Bright's disease, so called) and (2) considerable enlargement of the heart.

The outlook for prolongation of life is uncertain, but fair—for resumption of any physical or mental activity in the immediate or remote future, very poor. There is almost no chance that he can return to any active mental work, nor do I believe that it will ever be advisable for him to attempt it. Even in the highly improbable event of a great improvement over his present condition, the strain of mental activity involving matters of weight and responsibility could only be harmful and dangerous for him.

Very truly yours,

GEORGE H. LATHROPE, M. D.

To CHIEF JUSTICE WILLIAM H. TAFT,  
Supreme Court of the United States,  
Washington, D. C.

NEW YORK, November 1, 1922.

Mrs. MAHLON PITNEY,  
73 Miller Road, Morristown, N. J.

DEAR MRS. PITNEY: In accordance with your request for a statement as to Mr. Justice Pitney's condition, permit me to report as follows:

The justice is afflicted by and is suffering from an advanced and a widespread arteriosclerosis. His blood pressure is very high and is likely to remain so permanently. The heart is considerably hypertrophied and is laboring under an augmented stress by reason of the high blood pressure.

The arterial degeneration has visibly affected the arteries of the retina of each eye; and most unfortunately, certain of the cerebral arteries have also been seriously involved.

These degenerative lesions of the arteries are permanent and largely irreparable.

They can not be revoked or repaired by any known human agency; and yet their progress and subsequent risk may be greatly retarded, reduced, or possibly arrested by long continued and complete rest.

I am heartily sorry to write you that I believe Mr. Justice Pitney to be permanently incapacitated for work of any great responsibility; that it would seem to be utterly impossible for him to resume the serious duties of his judicial office; and that an attempt at the resumption of his judicial tasks might result disastrously.

Very respectfully yours,

EVAN M. EVAN.

WASHINGTON, D. C.

The honorable the CHIEF JUSTICE,  
United States Supreme Court, Washington, D. C.:

I hereby certify that I have this day again made a thorough examination of Mr. Justice Pitney, and that I find his mental and physical condition such that I have no hesitation in positively asserting that he will never be competent to resume his former duties on the Supreme Bench.

Mr. Justice Pitney has been under my professional care since April, 1913. At that early date, and when I first saw him, he presented signs of chronic Bright's disease, as evidenced by an elevated blood pressure, slight hardening of his arteries, enlarged heart, urine with low specific gravity, a trace of albumin, and numerous hyaline casts. The disease has been slowly progressive through all these years, during which time I have watched him carefully and frequently. For the past two years his condition has been rather precarious in that his arteries have been very much hardened, his blood pressure very high, his heart very much enlarged, and his kidneys showing deterioration. In March last he had a clot in one of the blood vessels of his brain, which resulted in a marked breakdown together with difficulty in speech. In August last, while he was away from the city, he had another stroke from which he is still invalided. There is a marked residue of mental deterioration as well as physical. The mental deterioration having now lasted for a period of eight months, it is incumbent upon me to assert with positiveness that he can not become mentally competent in the future to undertake responsible duties either on or off the bench.

NOVEMBER 23, 1922.

B. L. HARDIN.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

#### UNAUTHORIZED MEDALS AND BADGES.

Mr. WADSWORTH. From the Committee on Military Affairs I report back favorably without amendment the bill (S. 4036) to prohibit the unauthorized wearing, manufacture, or sale of medals and badges awarded by the War Department, and I submit a report (No. 930) thereon. I ask unanimous consent for the immediate consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole, and it was read as follows:

*Be it enacted, etc.,* That hereafter the wearing, manufacture, or sale of the congressional medal of honor, distinguished service cross, distinguished service medal, or any of the service medals or badges awarded by the War Department, or the ribbon, button, or rosette thereof of the form as is or may hereafter be prescribed by the Secretary of War, or of any colorable imitation thereof, is prohibited, except when authorized under such regulations as the Secretary of War may prescribe.

Any person who offends against the provisions of this section shall, on conviction, be punished by a fine not exceeding \$250 or by imprisonment not exceeding six months, or by both such fine and imprisonment.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. WADSWORTH. I ask that the report of the Committee on Military Affairs in connection with the bill just passed may be printed in the RECORD.

There being no objection, the report (No. 930), this day submitted by Mr. WADSWORTH, was ordered to be printed in the RECORD, as follows:

#### PROHIBITING UNAUTHORIZED WEARING OF DECORATIONS.

The Committee on Military Affairs, to which was referred the bill (S. 4036) to prohibit the unauthorized wearing, manufacture, or sale of medals and badges awarded by the War Department, having considered the same, report thereon favorably and recommend that the bill do pass.

This measure is recommended by the War Department, and its necessity is fully set forth in a letter from the Secretary which is appended hereto and made a part of this report as follows:

WAR DEPARTMENT,  
Washington, October 11, 1922.

The CHAIRMAN COMMITTEE ON MILITARY AFFAIRS,  
United States Senate.

SIR: I have the honor to invite your attention to the attached draft of a bill to protect the decorations and service medals issued by the War Department, and request, if the provisions of the bill meet the approval of your committee, that it be introduced in the Senate.

The necessity for the proposed legislation is well stated by the Acting Judge Advocate General as follows:

"1. The design of the congressional medal of honor was patented November 22, 1904, under No. 37236, and the patent transferred to the United States December 28, 1904. This patent expired by limitation November 21, 1918, and the design is now subject to public use.

"2. The designs of the distinguished service cross, distinguished service medal, and the service medals awarded for service in various wars are not protected by patent.

"3. In a recent case on this subject, which was referred to this office for opinion, it was necessary to hold that the only legal means of protection against the unauthorized use of the design of the congressional medal of honor as the basis of a design for the badge of a society of ex-soldiers was by recourse to the provisions of section 125 of the act of June 3, 1916, and the regulation promulgated in Army Regulations 600-45, as amended by changes No. 1, July 17, 1922. Such indirect means of protecting the unauthorized use of the decorations mentioned herein is of doubtful efficacy, because it involves extending the law to lengths not contemplated when the law in question was passed. Such means are further objectionable because, even if successful in a particular case, they would block only one of several avenues that lead inevitably to cheapening the decorations in question.

"4. If the decorations of honor and the service medals awarded by the War Department are to continue to serve the high purpose for which they are intended, they are worthy of being protected. Since there is no provision of law applicable for the further patent protection of the design of the congressional medal of honor, and since such patent protection of the design of the distinguished service cross, distinguished service medal, and service medals would afford only temporary relief, it is suggested that suitable legislative action be initiated for the protection of the design of the decorations in question."

A copy of the inclosed bill has been forwarded to the chairman Committee on Military Affairs of the House of Representatives, requesting that it be introduced in the House.

Respectfully,

JOHN W. WEEKS,  
Secretary of War.

#### BILLS AND A JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHORTRIDGE:

A bill (S. 4069) to authorize the construction of a railroad bridge across the Colorado River near Yuma, Ariz.; to the Committee on Commerce.

By Mr. TOWNSEND:

A bill (S. 4070) for the relief of Henry T. Shafer; to the Committee on Military Affairs.

By Mr. POMERENE:

A bill (S. 4071) for the relief of David C. Van Voorhis; to the Committee on Claims.

By Mr. BALL:

A bill (S. 4072) to establish a board of indeterminate sentence and parole for the District of Columbia and to determine its functions, and for other purposes; to the Committee on the District of Columbia.

By Mr. McCUMBER:

A bill (S. 4073) to amend section 2238 of the Revised Statutes (with accompanying papers); to the Committee on Public Lands and Surveys.

By Mr. HARRISON:

A bill (S. 4074) conferring jurisdiction upon the Court of Claims to hear and determine the claim of Mary Ella Webster; to the Committee on Claims.

By Mr. McKELLAR:

A bill (S. 4075) to amend an act entitled "An act to amend an act entitled 'An act for making further and more effectual provision for the national defense, and for other purposes,' approved June 3, 1916, and to establish military justice," approved June 4, 1920; and

A bill (S. 4076) to amend an act entitled "An act making appropriations for military and nonmilitary activities of the



War Department for the fiscal year ending June 30, 1923, and for other purposes," approved June 30, 1922; to the Committee on Military Affairs.

#### DELAWARE RIVER MEMORIAL BRIDGE.

Mr. FRELINGHUYSEN. Mr. President, the National Washington Crossing Commission, an organization created for the purpose of memorializing the historical event of Washington crossing the Delaware, have devised a plan for a memorial bridge at that point. I introduce a joint resolution providing that the United States Government shall make an appropriation to share in the project and ask that it be referred to the Committee on Appropriations.

The joint resolution (S. J. Res. 249) providing for the construction of a memorial bridge across the Delaware River at the point where Washington and his troops crossed said stream on the night of December 25 and the day of December 26, 1776, was read twice by its title and referred to the Committee on Appropriations.

#### MARY M. BREWER.

Mr. LODGE. I submit a resolution to be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The resolution (S. Res. 369) was read as follows:

*Resolved*, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay, out of the contingent fund of the Senate, to Mary M. Brewer, widow of Hiram H. Brewer, late foreman in the Senate folding room, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death; said sum to be considered as including funeral expenses and all other allowances.

Mr. LODGE. I wish to say before the resolution goes to the committee that it proposes to pay one year's salary as compensation to the widow. Mr. Brewer was 39 years in the service of the Senate. He was a soldier of the Civil War, and I think that his very long service, as in one or two other cases, entitles the widow to a year's salary instead of six months, as is usually given to the family of a deceased employee of the Senate.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

#### ADDRESS BY EX-SECRETARY OF THE TREASURY M'ADOO.

Mr. WALSH of Montana. Mr. President, on Armistice Day last a most interesting address was delivered by the late Secretary of the Treasury, Hon. William G. McAdoo, upon the subject of legislation affecting the ex-service men. Mr. McAdoo was intimately connected with the work of the World War in many of its most important phases. I ask that this address may be printed in the Record in 8-point type.

Mr. SMOOT. I ask the Senator from Montana whether the address refers to any subject matter other than soldiers of the late World War?

Mr. WALSH of Montana. It does not. The meeting at which the address was delivered was under the auspices of the American Legion.

There being no objection, the address was ordered to be printed in the Record in 8-point type, as follows:

SPEECH DELIVERED BY HON. WM. G. M'ADOO ON ARMISTICE DAY, NOVEMBER 11, 1922, AT FULLERTON, CALIF., UNDER THE AUSPICES OF THE AMERICAN LEGION POSTS OF ORANGE COUNTY.

This is the fourth anniversary of a memorable day in human history. November 11, 1918, signalized not alone the ending of the greatest war in the annals of mankind, but it marked the beginning of a new era in civilization.

The European war had its origin in causes which were distinctly alien to American ideals and traditions. Conflicting national interests and ambitions, secret alliances and counter-alliances which sought to gain political, economic, and military advantages to those concerned, racial and national hatreds engendered by centuries of strife, resulted in a final death grapple between two opposing principles of government—autocracy on the one hand and democracy on the other. For generations all Europe had been an armed camp. England, the greatest military power on the high seas; Germany, the greatest military power on land; and France, Italy, Belgium, Russia, Austria, Turkey, and the Balkan States, all armed to the teeth, awaited only the explosive to set in motion the mightiest machine for human slaughter ever operated in the history of mankind. The explosion came in August, 1914, and the world was thrown into a colossal convulsion from which it has now only partially emerged.

#### ISOLATION COULD NOT KEEP AMERICA OUT OF WORLD WAR.

America had nothing to do with the controversies or causes which lead up to this great disaster. By tradition and by consistent policy we had never been a military power. We had never maintained a large standing army, but with the growth of

powerful foreign navies and because of our extended coast line, we had gradually built up a formidable modern navy of our own. But its primary purpose was self-defense and not aggression. We believed that our remoteness from the fields of foreign wars rendered us immune from embroilment or attack. But we had not taken into consideration the fact that our growth as a nation had necessarily made us a powerful factor in world commerce, and that our security and prosperity were dependent upon the maintenance of our rights upon the high seas and upon uninterrupted intercourse with all parts of the world. When the European clash came, we declared our neutrality and sought, by every peaceful means, to maintain it. But the most powerful of the European belligerents began to encroach upon our neutral rights whenever they found that it was to their advantage to do so. We quickly discovered that it was impossible to isolate America. She was an integral part of world economy, her products were in demand by all the nations; she had a right as a neutral to trade with them; and she refused to yield any of her vital rights to escape collision with any challenger or upon the behest of any despot. She was one of the most important members of the family of nations, and she could neither shirk her responsibilities nor avoid the consequences. Disregard of America's rights by all of the belligerents produced a continuing tension which finally culminated in the destruction by one of the great powers of the lives and property of American citizens on the high seas in violation of the accepted rules of international warfare, and no alternative was left except to draw the sword.

#### AMERICA'S ACTION AN INSPIRING SPECTACLE.

April 6, 1917, Congress passed the fateful resolution that threw America into the World War and made her a party belligerent in the greatest conflict of all time on a field of action more than 3,000 miles from the Atlantic seaboard. With characteristic patriotism and energy the Nation sprang to arms. One of the most inspiring spectacles of all history was presented when the most powerful and peaceful democracy of all the ages transformed itself, with incredible celerity and efficiency, into an irresistible military machine. The young David of democracy was matched in mortal combat with the mailed Goliath of autocracy. Democracy won the battle, and we to-day celebrate the victory.

#### ARE WE UNEQUAL TO OUR IDEALS?

But have we realized the thing for which we fought primarily; the thing which lit the crusaders' fire in the hearts of our people; the thing which has been the Christian dream of centuries; the thing without which civilization is still imperiled; the thing which, above all things, would bring the greatest blessings to the human race—the destruction of war itself and the enthronement of enduring peace? We have not. America failed to follow up the victory. The greatest tragedy of human hopes was written when she refused to march onward to the goal which, for the first time since Christ, seemed almost within the Christian grasp. The 4,000,000 who sprang to the defense of their country with the determination to end war for all time found themselves cheated of their prey in the very hour of their victory. Mars, the repulsive god of war, escaped, and again sits omnipotent upon his throne ready to hurl new disasters upon the world. The peace of the world was destroyed by partisan politics. Selfishness and intolerance regained the day. We seek an isolation we can not find, and we suffer the consequences, moral, spiritual, and economic, of our failure to live up to our responsibilities and maintain the noble ideals which made us unconquerable on the field of battle.

In this reversion from the sublime heights of Christian purpose and glorious achievement to the debased level of partisan politics and ignoble shirking our sense of justice and gratitude to the 4,000,000 men who fought the war and won the victory seems to have been destroyed. We have failed them. We have, thus far, proven ourselves unequal to the ideals for which they fought and incapable of appreciating the heroic services they rendered in the hour of national peril.

#### ALLIES WERE FACING DEFEAT.

What was the situation in the spring of 1917 when America entered the war? A gloomier outlook for the allied cause could not be painted. The submarine was doing its deadly work at sea, rapidly destroying the means of communication between Great Britain, France, Italy, and the United States, upon the maintenance of which depended their supplies of food, munitions, and war materials. The ghastly prospect of starvation stared the Allies in the face. Quick relief could be obtained only from America. But the credit of the Allies was exhausted. This was a graver danger than the immediate effects of the submarine, because without money or credit they



could not buy essential supplies in America. At that time Great Britain had demand obligations in American banks amounting to \$400,000,000 which she could not meet. France and Italy were in financial extremity. What the Allies needed immediately to save them from irretrievable disaster was, first, American money, and, second, American men.

By act of Congress the Secretary of the Treasury was armed with authority to meet the credit situation. The Treasury of the United States immediately extended first aid to Great Britain, France, and Italy by lending them money to buy the food and munitions necessary to keep them on the fighting line until American men could arrive upon the field of battle.

#### THE DOUGHBOY WON THE VICTORY.

American men quickly followed American money, and what a colossal task it was to prepare untrained Young America to fight the veteran legions of the most powerful military nations of the earth! But this was not all; to transport them across 3,000 miles of sea infested with treacherous submarines and to put them in the battle line on foreign soil in strange surroundings amid a jargon of foreign tongues, equipped to fight the experienced veterans of the enemy, seemed an impossible task. But in an incredibly short space of time our raw recruits were transformed into a militant and irresistible fighting force. Three thousand miles of ocean were annihilated. The submarine was overcome. The mighty legions of the trained enemy were met and conquered, and in 18 months after America entered the war victory had been torn from the hands of defeat and the American doughboy was acclaimed as the protector of the Nation and the savior of liberty and democracy in the world. For these heroic achievements and in the flush of victory the lips of a grateful people in a grand chorus of praise and gratitude said that nothing was too good for him.

How was this mighty deed accomplished? By the organized might of America! The crisis was so grave that we could not rely upon our traditional policy of waiting for the volunteer to come forward and undertake this perilous and prodigious task. Swift measures were imperative. The Congress had provided the necessary money and credit to sustain the allied cause until American troops could take the field, and now Congress took the next great step and passed a law establishing a fundamental principle of war-making in a democracy—a universal draft law—that required every eligible young man, the sons of the rich and the sons of the poor alike, to go into training and fight without discrimination or favoritism for the cause of their country.

Under this law the strong arm of Uncle Sam stretched out into every home in the land where there was an eligible boy of military age and took him, without the sanction and regardless of the feelings of parents and loved ones, before selective service boards which chose those who were physically fit and sent them into training camps throughout the country. Four millions of America's finest young effectives were taken in this manner and molded into an unconquerable fighting force.

#### OUR SOLDIERS DRAFTED, NOT CONSULTED.

We did not ask these young men if they wanted to go into the trenches and give their lives for their country. We did not, nor could we in time of national peril, consult their wishes in the matter. We took them and sent them out to perform the supreme duty of patriotism. The life of the Nation was at stake and it was they who had to save it. We did not ask these men what compensation would be acceptable for the hazardous work we thrust upon them. There was neither individual nor collective bargaining as, of course, there could not be. The Congress arbitrarily fixed their pay and said that a soldier should receive while fighting on the bloody fields of France the sum of \$1.10 per day, and while in reserve on American soil, awaiting the call to Europe, \$1 per day. In the judgment of Congress it was worth 10 cents more per day to face the enemy's shot and shell and poison gas on the battle fields of Europe than to be in reserve in America. Of this meager compensation the soldier paid almost one-fourth for the life insurance which a grateful Nation permitted him to buy at minimum rates. If he was a married man, he was required by law to pay in addition another half of his compensation for the support of his dependent family. The little that was left—about \$10 per month—the soldier was permitted to dispose of as he saw fit. There was, of course, no chance for the men and women in the Army and Navy to effect savings. After payments for life insurance and allowance for the support of families and loved ones barely enough was left for their ordinary needs.

The war was ended and, by their valor, a year sooner than expected.

The victorious heroes returned. With justified pride and deep emotion they trod again the soil of their native land amid the plaudits of the multitude. Then they were mustered out. Their swords were sheathed, their guns stacked, their uniforms laid aside, and the undramatic and crowded fields of civil life stretched before them. These young heroes had come from the farms, the villages, the towns, and the cities of every part of the land. They had given up their jobs and occupations. They had exchanged their environments for something new, something different, something uplifting. Their horizons had been widened. They had fought for great ideals and for noble objects. They had been reformed in a crucible of fire and remade in the grim school of discipline and danger. They were bigger men; they were broader men than the unsophisticated youths who entered the Army as raw recruits from the farms, the plains, the mountains, and the cities of a great Nation. They had to start life anew with enlarged vision, with new and finer conceptions of duty, with higher aims and ambitions. Thousands of them could not look with patience upon the narrow and provincial life from which they had been drawn. They wanted larger opportunity to make themselves useful citizens of the greatest Republic of all time. They wanted a chance at a larger and more fruitful life.

#### RETURNING VETERANS DISILLUSIONED.

But what was there to begin with except character, enlarged experience, and bright hope? They had emerged from the warm atmosphere of national welcome to find themselves in the cold atmosphere of practical, unsympathetic, indifferent civil life. Where were the jobs they had been led to believe were awaiting with warm welcome their return? Where were the opportunities which they had been told that a grateful Nation would shower upon them for their heroic services, for their priceless contribution to the cause of liberty and democracy? They were gone. Jobs and opportunity had been conquered by those who stayed at home and faced no peril while the conquerors of the Nation's foe were engaged on the field of battle. Life stretched before them, but what was there to start with? Not even a paltry fund which, if promptly available, would have opened up to the returned soldier the opportunity for a new and prosperous career.

It was the very need of this assistance, resulting from the inadequate pay granted the soldiers, that prompted the suggestion that a grateful Nation recognize their inestimable services by increasing the compensation paid to them during the war. This is familiarly known as "adjusted compensation" or "soldiers' bonus," and since it has been under consideration for the past four years and is an important public question it does not seem inappropriate to discuss it on this occasion.

#### BONUS IS JUSTICE.

What is "adjusted compensation" or "soldiers' bonus"?

It is a proposal that the men who fought in France and received but \$1.10 per day therefor be paid an additional \$1.25 per day for the period of actual service, and that the men who were held in reserve in camps in the United States and received but \$1 per day therefor be paid an additional \$1 per day for the period of actual service; but that in no case should the soldier in foreign service receive a total additional payment of more than \$600 nor the soldier in home service a total of more than \$500.

Is this an unreasonable request? Is \$2.35 per day, or \$70.50 per month, too much to pay to the men who endured all the dangers and horrors and sufferings of the trenches and of bloody battles? Is \$2 per day too much to pay to the men who were kept in reserve awaiting orders to go to the front and fill the gaps caused by those who died in battle?

As adequate compensation for service performed, it is, of course, too little; but as evidence of gratitude and appreciation of a great duty nobly performed, it is something. As a genuine help to the 4,000,000 men and women who saved the Nation from grave peril, it is much. As a matter of justice, it is everything.

#### GOVERNMENT CIVIL EMPLOYEES RECOGNIZED.

While these men were fighting and sacrificing for country, every class in America, protected by their valor and sacrifice, was living in safety and earning more money and making larger profits than ever before in our history. Even the civil employees of the Government, more than 500,000 in number, who were receiving salaries of \$2,500 or less per annum, were granted a bonus of \$240 per year. For the past five years these civil employees have already received a total bonus of \$1,200 each—twice the maximum proposed for the soldiers, and the bonus is still continuing.



The great manufacturing interests, which produced war munitions and supplies, and the great trusts and combinations in control of vital necessities for the Army and the Navy and the people made fabulous profits during the war because the valor of our heroes in the field made them secure in life, liberty, property, and the pursuit of profit. By contrast, how can this great Nation fail to grant the claim of the men who saved the Nation from disaster to the comparatively small recognition involved in the allowance of their request for a readjustment of compensation for the actual time they were in the service of their country?

A committee of the Senate, after exhaustive investigation, reported that it would require only about \$1,600,000,000 to pay in cash the entire amount of the adjusted compensation or bonus to the enlisted men and women of the United States.

But immediately a cry arose from the very interests which had profited most by the valor of the soldiers, that to pay adjusted compensation would impose a greater burden upon the American people than they could bear, and that the credit of the Government would be destroyed if such payment should be undertaken.

Never was there a more fallacious and unsupportable claim, and never was there an exhibition of baser ingratitude.

#### ADJUSTED COMPENSATION NOT A BURDEN.

The Nation could have paid the claims for adjusted compensation without hurt to the national credit and without imposing serious burdens upon the people. The additional compensation should be treated as a part of the cost of the war and should, like other burdens of the war, be funded into long-time obligations and the payment spread over several generations, so that the present generation should not be required to pay an undue share of it, and succeeding generations should be required to pay a just share of it. We could issue 50-year Government bonds in sufficient amount to pay the bonus in cash and thus not only discharge creditably and promptly an obligation the country justly owes but remove the question from the hands of partisan and tricky politicians who have made use of the issue for base and ignoble ends. By this method another desirable result is accomplished: Additional onerous burdens would not be imposed on the present generation, which is already staggering under a heavy load of taxation. Only the annual interest and sinking fund would have to be paid. This would not exceed a total of 5 per cent, or about \$80,000,000 per annum, to take care of the interest on the bonds and the payment of the principal at maturity.

#### A HUGE TARIFF SUBSIDY GRANTED GREED.

It is sheer hypocrisy to say that the Nation can not bear this relatively insignificant burden when great subsidies are granted to private interests at the expense of the people and for purposes which can not be successfully defended. The Fordney-McCumber tariff bill was recently passed by Congress and approved by the President. It is estimated that the trusts, monopolies, combinations in restraint of trade, and other beneficiaries of this measure will be able to take from the pockets of the American people \$3,600,000,000 per annum while the law is on the statute books.

In the three years that remain before this colossal subsidy can be repealed its beneficiaries will receive an estimated total of \$10,800,000,000. How can such conscienceless misuse of the powers of government, such indefensible exploitation of the masses of the people, be justified when the soldiers and sailors who saved our institutions are denied a just recognition of \$1,600,000,000 on the ground that to grant it would impose excessive burdens on the American people? Ten billion eight hundred million dollars for trusts and monopolies, and not one cent for the heroic defenders of their country.

#### WHY NOT TARIFF BENEFICIARIES PAY THE BONUS?

But if the frank and direct method of issuing Government bonds for the payment of adjusted compensation in cash should not be adopted, why should not the beneficiaries of the tariff bill be required to divide their subsidy with the Nation's defenders? In this way adjusted compensation could be paid without imposing new burdens upon the American people; in this way those who received the greatest material benefit from the valor of our soldiers will be required to share with them the undue profits and advantages which a complacent Congress has so generously conferred upon them. How can it be done? Let an average of the net earnings of every trust, monopoly, corporation, or beneficiary of the Fordney-McCumber tariff bill be ascertained for five years, or for some reasonable period preceding the enactment of that law. Then take each year 50 per cent of all net earnings of these tariff beneficiaries in excess of this average, while the Fordney-McCumber bill is in effect, and apply it to the payment of the soldiers' bonus.

It would be peculiarly appropriate to make these tariff beneficiaries divide with the men and women who went to France when the black clouds of disaster overhung civilization and American liberty and dispelled them with the sunshine of their heroism and sacrifice.

This is not an impractical idea. It can be formulated into a law that can be administered. The plan is analogous to that adopted by the British Government for raising revenue to carry on the war. An average of the net earnings of all forms of business in Great Britain was ascertained for a period preceding the outbreak of the war, and all profits in excess of that average were treated as war profits and taxed 80 per cent. By this practical and simple plan the British Government repressed the war profiteer and forced those who profited by the war to contribute 80 per cent of those profits to the national defense fund instead of permitting excessive profits arising from abnormal conditions created by the war to be retained for private ends.

#### NO EXCUSE FOR INJUSTICE OR INGRATITUDE.

There are those who say that our enlisted men and women should not be paid additional compensation because they will waste the money—that no benefits will, therefore, be conferred upon them. This is, of course, mere assertion based neither upon fact nor reason. Arguing from human experience and the natural tendency of most men and women to save money and not to waste it, to use it wisely and not to lose it, it is more reasonable to assume that the great majority will use the money beneficially. But assuming, for the sake of argument, that justice demands that the claims of the soldiers be paid, or that the gratitude of a saved Nation prompts the payment, it is no answer to say that justice should be denied or gratitude stifled upon the mere assumption that those entitled to justice or those who should be the recipients of the Nation's gratitude may not use the rewards wisely or beneficially. We can not satisfy the demands of justice by being unjust nor manifest gratitude by refusing to be grateful. If the soldiers are entitled to the bonus either because justice demands it or gratitude prompts it, it should be paid to them no matter what they may do with it. In its final analysis it is an affront to enlisted men and women to assume that they are so worthless and incompetent that they will not make proper use of a payment to which they are in justice entitled.

#### NOT COMMERCIALIZING PATRIOTISM.

There are others who say that the bonus should not be paid because it will "commercialize patriotism." This is merely trying to satisfy conscience with a phrase. If it be commercializing patriotism to increase the pay of the soldier for the dangerous work he did in the war, then why was it not equally commercializing patriotism to pay him anything whatever for serving in the war? The argument must be carried to its logical conclusion. Either he should be paid within reasonable limits to the full extent of the Nation's ability to pay, or he should not be paid at all. If patriotism is to be exacted of the soldier without cost, then in time of war all civilian effort should be drafted without cost, and no profit should be allowed to private enterprise or service as a contribution to the war effort. The most unfair and unjust thing that the opponents of the soldiers' bonus have done to the 4,000,000 gallant men and women who fought the war is this attempt to impeach their patriotism. A greater wrong could not be done. If it would commercialize patriotism to increase the pay of the soldier for the service he rendered in the war, then what can be said of the gross commercializing of patriotism indulged in by every firm, corporation, and individual who turned to the utmost profit the opportunities the war gave them?

It is not unnatural that the people should hesitate to assume new tax burdens at a time when they already are overloaded with State, local, and national taxation. Certainly these burdens ought not to be increased without convincing reasons. The opposition to the soldiers' bonus is grounded largely upon the fear that it will inevitably impose new tax burdens. But this objection is met if the bonus can be paid without increasing existing burdens through a division of the tariff subsidies already imposed upon the people or through the issuance of long-time Government bonds which will distribute the burden lightly over several generations. But in no circumstances can any nation take the position that justice to any great class of its citizens shall be denied because it will cost something to do justice.

#### JUSTICE, LIBERTY, DEMOCRACY NOT TO BE MEASURED IN DOLLARS.

There are some things which can not be measured in dollars. Justice is one of them. Liberty is another. Democracy is still another. Liberty and democracy are founded upon justice, and the Nation must stand for justice and do justice no matter

what the cost may be in blood or treasure. If we refuse to do justice to the great army of men and women who saved the Nation in its hour of extremity; if we leave in the hearts of the 4,000,000 defenders of the Nation and in the hearts of their families and friends the feeling that the Nation is not only unjust but ungrateful, may we not do a graver injury to the spirit and morale and patriotism of our people than any savings in taxation could ever compensate?

In the wave of materialism which has swept over the land since the war was fought our higher ideals seem to have been obscured. What armistice day ought to celebrate instead of merely signify has not yet been secured. Perhaps these things are only in eclipse. The triumph over war, injustice, and oppression has not yet come. It may never come in full perfection, but it is our duty to fight unflinchingly for this noble end.

Let us pray God that that day of triumph may come, and while we pray God and press on with unconquerable determination let us make sure that we preserve the soul of the Nation from the corroding influences of injustice, materialism, and selfishness. Let us on this day made glorious by the valorous deeds of our sons and daughters resolve that this great Nation, fashioned by our forefathers in the spirit of the Christian God and dedicated by them to the service of humanity, shall be preserved for all time.

#### PRESIDENTIAL APPROVAL.

A message from the President, by Mr. Latta, one of his secretaries, announced that on November 22, 1922, the President approved and signed the act (S. 3300) granting a pension to Marie Doughty Gorgas.

#### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhulse, its enrolling clerk, returned to the Senate, in compliance with its request, the bill (S. 3855) to ascertain and settle land claims of persons not Indian within pueblo Indian land, land grants, and reservations in the State of New Mexico.

#### ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. 12859) to provide for certain expenses incident to the third session of the Sixty-seventh Congress, and it was thereupon signed by the Vice President.

#### LIBERIAN LOAN.

The VICE PRESIDENT. Morning business is closed.

Mr. CURTIS. Mr. President, this is Calendar Day, but we had a call of the calendar just before the close of the last session. Therefore I ask unanimous consent that the unfinished business be laid before the Senate. The Senator from Nebraska [Mr. HITCHCOCK] has informed me that he desires to address the Senate this morning.

Mr. FLETCHER. Mr. President, I think we ought to have a quorum before that is done. Therefore I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Gooding	Myers	Smoot
Ball	Hale	Nelson	Spencer
Bayard	Harrell	New	Stanfield
Borah	Harris	Nicholson	Stanley
Brandeggee	Harrison	Norris	Sterling
Broussard	Hefflin	Overman	Sutherland
Calder	Hitchcock	Owen	Swanson
Capper	Jones, N. Mex.	Page	Townsend
Caraway	Jones, Wash.	Phipps	Underwood
Cuberson	Keyes	Pomerene	Wadsworth
Cummins	Ladd	Ransdell	Walsh, Mass.
Curtis	La Follette	Rawson	Walsh, Mont.
Dial	Lodge	Reed, Mo.	Warren
Edge	McCumber	Reed, Pa.	Watson
Fernald	McKellar	Sheppard	Weller
Fletcher	McKinley	Shortridge	Willis
Frelinghuysen	McLean	Simmons	
George	McNary	Smith	

The VICE PRESIDENT. Seventy Senators have answered to their names. There is a quorum present.

The question is on the request by the Senator from Kansas [Mr. CURTIS] for unanimous consent that the unfinished business be immediately laid before the Senate.

Mr. HARRISON. I understood that the unanimous-consent request was to take up the calendar.

Mr. CURTIS. No; the unanimous-consent request was that the Chair lay before the Senate the unfinished business. The Senator from Nebraska [Mr. HITCHCOCK] desires to speak; and under the unanimous-consent agreement already entered into the unfinished business should now be laid before the Senate anyway.

Mr. UNDERWOOD. I think that should be done; but the regular order is the calendar, and I think we ought to be able

to agree that the unfinished business be now laid before the Senate, as it is to be voted on at 2 o'clock, and when it shall have been concluded, that the calendar shall then be taken up.

Mr. CURTIS. I could not consent to enter into that agreement, Mr. President.

Mr. HEFLIN. What is the request, Mr. President?

The VICE PRESIDENT. The request of the Senator from Kansas [Mr. CURTIS] is for unanimous consent that the unfinished business may now be laid before the Senate. Is there objection? The Chair hears none, and the Chair lays before the Senate the unfinished business, which is House Joint Resolution 270.

#### REPLY TO M. CLEMENCEAU—FRANCE AND GERMANY.

Mr. HITCHCOCK. Mr. President, a few days ago I sought to accept the invitation given by former prime minister Clemenceau, of France, when he suggested in his first address delivered in New York City that we exchange criticisms. M. Clemenceau has come to this country for the purpose, apparently, of persuading the American people to cooperate at the present time with the policy of France; and in my comments upon his attitude I sought to show that it would be impossible for the people of the United States to cooperate with France so long as the French Republic pursues the policy toward Germany which it has been pursuing for some time. I endeavored to show, Mr. President, that that policy would inevitably lead to war, and, in support of that, I sought to introduce some features of that policy indicating that fact. I ask to have inserted in the Record, without reading, the comments made by M. Clemenceau on my first speech.

The VICE PRESIDENT. Without objection, it will be so ordered.

The matter referred to is as follows:

TIGER DENIES HITCHCOCK'S CHARGES OF MILITARISM—REFERS TO SENATOR'S DEFEAT AT POLLS—DARES HIM TO SEEK "TRUTH" IN FRANCE.

BOSTON, November 24 (Associated Press).—Georges Clemenceau lashed back at his Senate critics to-day in his first American interview granted to the Associated Press, replying particularly to the criticisms of Senators HITCHCOCK and BORAH.

"Senator HITCHCOCK calls me a militarist," Clemenceau said. "Well, I am glad to tell Mr. HITCHCOCK he is in the Senate, owing to the vote, for only a few more days. When he is free, I dare him to go to France and learn the facts."

He declared Senator HITCHCOCK had been misled by German propaganda and that to-day there was not a single black soldier in German territory.

To Senator BORAH's recent assertion that Clemenceau was primarily responsible for conditions in Europe because of his great influence in the drafting of the Versailles treaty the aged statesman declared his situation was "particularly distressing," since in France he had been most bitterly criticized "for having asked from the Germans less than I ought to."

#### TO MAKE HIMSELF CLEAR.

When he was told that some of the Senators at Washington had said they were not able to understand clearly from his speeches just what he wanted of America, the Tiger said, with a gleam in his eyes, that he thought they would know after his address this afternoon in Tremont Temple, the second formal speech of his American tour.

Clemenceau received his interviewers in his big bedroom at the home of F. L. Higginson, Jr., where he is staying while in this city.

He wore his usual gray cutaway suit, and his gray skull cap was perched on his bald head. Seating himself in a huge easy chair, he said:

"Now, put any questions you like and I will answer them."

The interviewers went at once to the subject of the Washington criticisms. Clemenceau smiled and shrugged his shoulders.

"I had made it a point not to discuss with official people in America," he said. "But I have said I will answer all, so I must answer."

"I am glad to tell Mr. HITCHCOCK he is in the Senate only for a few days, owing to the vote," he began, referring to the Senator's recent defeat for reelection. "Therefore, I think I'll be excused if I dare him to go to Europe, and if he finds anyone in my country or elsewhere who says I have been a militarist, then I'll own it."

#### TURNED MILITARIST WITH WAR.

"I have suffered much from 1871 to 1917 for not being a militarist. I turned militarist when the war broke out—before, I had been militarist to the extent of extending the length of military service in France."

"But that wasn't too bad, if it allowed us to oppose the German front until England and America appeared."

Asked to answer HITCHCOCK's question about black troops, the Tiger said "bon" and waded in.

"In the first place, there are no black troops of occupation in the area of occupation of the enemy. In the second place, I have seen black American troops at the front, and they stood the fire with bravery, too."

"Of course, this has nothing to do with the question of whether we are militarists or not. It is an attempt of German propaganda to oppose France and America and obscure what is really the great question."

"The Germans and all of our foes had been killing enough of our white men, and 100,000 black men fell gallantly fighting on 'the frontiers of liberty,' as Woodrow Wilson called them. We are not going to deny them a place in history."

"Now those black soldiers were always more or less occupying towns in France and always got along perfectly with the white French people. Even, I should say, their discipline is stricter than any white troops."

"So—I have seen papers of German propaganda which I suppose inspired Mr. HITCHCOCK's sayings, and I can plainly say they are so many lies."



"The day before I left Paris I heard these stories would be employed to prove we were a militaristic people. So I asked the official people to give me plain information.

"The answer was that there had been only one established case of a Senegalese having mistreated a German woman. He was cashiered and sentenced by a military tribunal."

#### SENT TO RELIEVE WHITE TROOPS.

The reason black troops were sent into the occupation zone at first, Clemenceau said, was to provide a few months of home leave for the white troops "that had stood the fire for years until America could come, and were rather exhausted."

"We couldn't foresee," he said, "that it would be more objectionable to the Germans than to the French in whose towns they had been garrisoned. When we learned it was, they were withdrawn."

"The German objection was more of a surprise because they employed black troops, and if they did not bring them to the front it was because no means of bringing them could be found. They did find means to invade Belgian Congo with blacks."

Then Clemenceau came to Senator BORAH's statement that he, Clemenceau, was responsible for most of Europe's woes, because of the treaty of Versailles. Declaring that the criticism was exactly the opposite in his own country, where he was assailed for not demanding enough, he continued:

"Let those who say I asked too much go to Europe; let them bring their German friends, and let us settle it there where it can be seen."

"Moreover, if too much was asked at Versailles—which I do not believe—yet 57 per cent of it has been taken out without my assent and out of my power."

Ending the interview, Clemenceau declared his reception in America had been "greater than I was entitled to expect."

"I was received as a friend, as a son," he said. "Whatever happens in the end, I shall never forget it. But while expressing my deep gratitude to all, I dare say I'd like to have a little more plain assent to some of my arguments."

Mr. HITCHCOCK. Mr. President, first of all, in those remarks M. Clemenceau quotes me as charging that he is a militarist. As a matter of fact, I sought in what I said to avoid any personal criticism of this French statesman, and endeavored to direct my criticism against the policy now being pursued by France. I did suggest that at the conference in the negotiation of the Versailles treaty M. Clemenceau showed himself disposed to drive a very harsh stipulation with regard to Germany, and that he, as the representative of France, was largely responsible for the exaction of indemnities or reparations which had turned out to be entirely impossible. At the same time I said that, compared to the present French Government, M. Clemenceau is mild; and the facts, as I view them, sustain that statement.

M. Clemenceau also says that, as the result of the recent election, I shall only be in the Senate for a few days, and he "dares" me to come to Paris at the expiration of my term and learn the real facts of the case. Well, Mr. President, there are several defects in this invitation. In the first place, M. Clemenceau is himself out of office, as the result of a decision of the French people, and is in no position to tender an official invitation to anyone to visit France; and, in the second place, his suggestion conveys to my mind too much of the idea represented in the story of the bucolic young man who had dramatic ambitions. He left his country town and joined a barnstorming dramatic company, being under the impression that he was to become a dramatic star. After he had been absent some time he returned in a somewhat crestfallen manner to his native town. His friends began to ask him how successful his dramatic trip had been. He said it had been pretty good; but his friends insisted on knowing what sort of a reception he had had from the audiences. "Well," he said, "pretty fair." He was asked, "Did the audiences encore you?" "Encore!" he exclaimed, "what is encore?" "Why," his friends explained, "did the audiences call you before the curtain?" "Well," he said, "they did not exactly call me before the curtain, but they dared me to come before the curtain." [Laughter.] So this invitation from M. Clemenceau partakes a little too much of that character to appeal to me with great strength.

Now, Mr. President, as to what M. Clemenceau says in his comment upon my address, in the first place, he states that there are no black troops in the army of occupation of the enemy—he still refers to the German people as "the enemy." There we have an issue of fact. M. Clemenceau, who is rather noted for reckless statements, makes the bald declaration that there are no black troops in the army of occupation. I hold in my hand, Mr. President, an authentic list of the French colored troops in Germany in October of the present year. At this time it appeared that the Senegalese troops have been withdrawn, but there are still quartered upon the German people, according to this statement, some 23,000 colored men. The statement says:

The average number comprising the regiments amounts to from 1,900 to 2,000, the total amount of the regiments mentioned above thus being approximately 23,000 men. Apart from the regiments enumerated above, there are, particularly with the white artillery regiments and the automobile corps, small units of Indo-Chinese (Anamites) and Senegalese, the total amount of which, however, hardly supersedes 1,000 men. The amount of Senegalese, the only real negro troops in the occupied territory, amounts to some 200 men.

Without reading, I shall insert this in the RECORD. It shows that there are Algerian commands located in the town of Ems, Diez, Boppard, Wiesbaden, the environs of Idstein, Kreuznach, Bingen, Langenschwalbach, Biebrich, Kostheim, Griesheim, Sweibrücken, Landau, Mainz (Mayence), Juelich, Dueren, and Eschweiler; that there are Moroccan troops quartered in Speyer, Gernersheim, Kastell, Weiseman, Hoechst, and Ludwigshafen, and Tunisian soldiers stationed in Euskirchen, Siegburg, Wahn, and Bonn.

I ask unanimous consent to insert this compilation in the RECORD, and I can vouch for its reliability as a statement of the colored troops in the army of occupation on German territory in the month of October, this year.

The VICE PRESIDENT. Without objection, it is so ordered.

The statement referred to is as follows:

Algerian Riflemen Regiment No. 16, staff and one battalion in Ems, one battalion in Diez, and one battalion in Boppard.

Algerian Riflemen Regiment No. 23, staff and two battalions in Wiesbaden, one battalion in the environs of Idstein.

Algerian Riflemen Regiment No. 125, staff and one battalion in Kreuznach, one battalion in Bingen, one battalion in Langenschwalbach.

Algerian Riflemen Regiment No. 33, staff and one battalion in Biebrich, one battalion in Kostheim, one battalion in Griesheim.

Algerian Riflemen Regiment No. 35, staff and two battalions in Zweibrücken, one battalion in Landau.

Algerian Riflemen Regiment No. 39, the whole regiment in Mainz (Mayence).

Algerian Riflemen Regiment No. 43, staff and one battalion in Juelich, one battalion in Dueren, one battalion in Eschweiler.

Moroccan Riflemen Regiment No. 64, staff and one battalion in Speyer, two battalions in Gernersheim.

Moroccan Riflemen Regiment No. 66, staff and one battalion in Kastell, one battalion in Weiseman, one battalion in Hoechst.

Moroccan Colonial Infantry Regiment, staff and two battalions in Ludwigshafen, one battalion in Speyer.

Tunesian Riflemen Regiment No. 20, the whole regiment in Euskirchen.

Tunesian Riflemen Regiment No. 28, staff and one battalion in Siegburg, one battalion in Wahn, one battalion in Bonn.

The average number comprising the regiments amounts to 1,900 to 2,000 men. The total amount of the regiments mentioned above thus being approximately 23,000 men. Apart from the regiments enumerated above there are particularly with the white artillery regiments and the automobile corps small units of Indo-Chinese (Anamites) and Senegalese, the total amount of which, however, hardly supersedes 1,000 men. The amount of Senegalese, the only real negro troops, in occupied territory amounts to some 200 men.

Mr. HITCHCOCK. Mr. President, I may say that in addition to that I am in receipt of a large number of telegrams and letters from various parts of the United States, some of them denouncing M. Clemenceau in language so vigorous that I shall not reproduce it, but all testifying to the fact that the individuals writing the letters saw black troops in German territory upon the occasion of very recent visits to Germany.

Mr. McCUMBER. Mr. President, will the Senator yield for a question for information?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from North Dakota?

Mr. HITCHCOCK. I yield.

Mr. McCUMBER. Does the Senator designate the Sudanese as blacks in the general acceptance of that term?

Mr. HITCHCOCK. Well, Mr. President, I am not color blind entirely, but have here—

Mr. McCUMBER. What I should like to get at is really whether they are of the Aryan race practically or whether they are of the Negro race.

Mr. HITCHCOCK. I have not mentioned any Sudanese. This list contains none; it contains a statement that there are 200 negroes, and that there are Moroccans, the Algerians, and the Tunisians.

Mr. McCUMBER. I will apply the question to the Moroccans. They are not negroes, are they?

Mr. HITCHCOCK. I have not said they were, although I have some pictures here which make them look very much like it. But that is not the question.

Mr. McCUMBER. I was simply trying to get information as to whether there are negro troops quartered at present in German territory.

Mr. HITCHCOCK. There are 200 negroes there, according to this official statement which I put in the RECORD, and in addition to that there are over 23,000 of an inferior race. Now, I am not making an attack on the negroes. The American negro is far above these half-barbaric, half-civilized representatives of African tribes who have been conquered by the French arms, and are now incorporated in the French Army. The American negro is a far different character as he associates in our country with his own kind, and in close contact also with the white race. The gist of my charge is that France has quartered over 20,000 men of inferior, half-savage races upon white people; that those men are quartered not only in barracks but in the very houses of German citizens along the Rhine. That is the essence of my charge, and I do

not want to have it diverted to a discussion of the race question in the United States.

These Moroccan riflemen and these Algerian riflemen are called Moroccans and Algerians because of the neighborhood they come from; but, as every one knows, there are large proportions of the peoples in those territories who are inferior to the high Arab or to the high Moroccan.

Here in this French book which I have, "La Panorama de la Guerre de 1914," Senators, if they wish, can see illustrated the type of men in colors there. I am glad the Senator from North Carolina [Mr. SIMMONS] comes to my desk as an expert and views the pictures representative of the Senegalese, Algerians, and Moroccans; so that any one by viewing them can decide whether or not they are men of an inferior race, and whether they are proper individuals to be quartered upon white people, and in the houses of white people.

Mr. REED of Missouri. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Missouri?

Mr. HITCHCOCK. I yield to the Senator.

Mr. REED of Missouri. I should like to ask the Senator if he does not think we need a few savages from Africa to save civilization and make the world perfectly safe for democracy?

Mr. HITCHCOCK. There are 23,000 there at the present time, as I have shown by that statement, which is official.

Now I want to read a letter which is written by a recent captain in the United States Army. It comes from Boston, Mass., under date of November 25:

DEAR SIR: I have just read in the Boston papers where M. Clemenceau denies your statement about there being negro troops on German soil.

I left Germany on October 3, 1922. I was an officer in the American Army of Occupation for three years and up to the time I left there. When M. Clemenceau says there are no negro troops on German soil he makes a statement that is absolutely untrue. There are between 15,000 and 25,000 negro troops stationed in the German towns of Kreuznach, on the Lahn River, and Bad Ems and Nassau, on the Lahn, and at other places. I have seen negro troops on German soil every day for the past three years.

Mr. President, this captain in the Army, when he says "negro," does not distinguish between the Senegalese and the Algerian and the Moroccan, and there is no need to make a distinction. They are men of an inferior, half-civilized race. They are brutes when stationed among white people, as the evidence shows beyond any controversy; and there is not any use to make a quibble, as M. Clemenceau made when he said they are not black men. It would require a fine degree of color astuteness for an individual to express a preference for one or the other.

Mr. President, running over a few of these telegrams and letters which I have received—and I shall not undertake to cumber the RECORD with many of them—here is a letter from Gonzales, La., dated November 23. This is from a former soldier in our Army. He says:

I was over there and served in our Army, and I saw those black troops myself, and it was a common report to hear of the outrages that those black troops committed on German women and girls.

I send you a paper which my brother and myself started, together with W. Gautreau, and all of us saw service—my brother and myself in the Army and our partner Gautreau in the Navy—and you will notice in our issue of November 18 we denounce this cowardly act on the part of France. All three of us are of French descent and proud of it, but we are not at all proud of any act of brutal cowardice by the French nation, and we wish you would take action about this. All three of us are also members of the American Legion.

I read that because that comes not from a German, nor from a German-American, but from a man of French descent who served in the Army and saw the things of which he speaks.

I am not going to—I can not, from the very nature of the case—undertake to give a list of the horrors over there, but later on I am going to put into the RECORD some statistics on that subject.

I have here a telegram from Boston, from Dr. Philip S. Sumner, who says:

While in Germany during the month of August, saw French colored troops at Mainz and Ludwigshafen on duty.

I have here a letter from Chicago, part of which reads as follows. This is written by a woman:

I beg to say that I was in Euskirchen, Rhineland, Germany, all last summer, and it was crowded with blacks in the French Army. It was not safe for a woman to be alone on the streets even in the daytime when there were not many people on the streets. When indignities were reported to the officers they would grant no relief and inflict no punishment; in fact, in certain instances they ordered complaining Germans to leave the land of occupation.

Then she makes certain charges against French officers, to which I will not give publicity.

I have here a letter from a man in St. Louis, written on the 24th, who says:

In looking through this evening's newspaper, I note that M. Clemenceau made the statement that there were no black troops in Germany. This is absolutely false. I was in Germany myself this summer and saw the Rhine district literally black with them. A brown population is rapidly springing up as the result of their being there.

Then I have here a letter written from Atlantic City, in which the writer says:

Regarding not having any African-colored troops in Germany, the court records of the city of Landau, under date of September of this year, all of whom are under French jurisdiction, are before me, where rape had been committed repeatedly, where names are mentioned which I will be glad to send to you. I came in possession of same through my sister, who lives in a city called Neustadt, Bavaria, in the heart of the occupied territory, and who herself does not dare to speak of these outrages.

I have here a letter from Asher Mayer, of New York City, in which he says:

I am not prepared to say that the so-called colored troops have not been withdrawn from the occupied area in the last 30 days, but I can tell you without equivocation that in the months of July, August, and September there were hundreds and hundreds of colored troops in that area. I saw them myself. It will interest you to know that at Wiesbaden in the depot there is a colored soldier standing at each end, fully armed. There is hardly a railroad station along the Rhine where a number of colored troopers are not stationed.

Mr. President, I can read a good many of these letters. They mention dates.

Here is one which mentions seeing colored troops at Bonn, on the Rhine, October 3 and 4 of the present year.

Here is a very recent letter from a business man in Philadelphia, who states:

I returned from a visit to Germany on November 11 via steamship *Resolute* and am therefore in position to say that Clemenceau deliberately lied when he stated there were no colored troops along the Rhine, for I personally saw them at Oberlappstein, Mainz, Schierstein, Weisbaden, Biebrich, and Worms, while fellow passengers testified to their presence in the Pfalz—Palatinate.

I do not believe that M. Clemenceau deliberately lied. I think M. Clemenceau has habitually in his public life made reckless statements, as he did in this case when he declared that there were no black troops there, and as he did when he further stated that hundreds of cannon were being made in Germany at the present time in preparation for war, although we all know that Germany is combed constantly by commissions of French and other allied officers who have seen to it that there shall be no cannon made in Germany for use there or elsewhere.

Mr. President, I believe that all this shows pretty clearly that the colored troops are there. Let me make some reference to what those colored troops are doing and what they have been doing there.

I have in my hand a quotation from a noted English authoress, Lady Frances Evelyn Warwick, who recently addressed a most emphatic appeal to the women of England, requesting them to rise in protest against the black horror on the Rhine. Lady Frances writes:

When the Frenchmen moved to the Rhine they took with them a considerable force of colored troops from the Senegal and other parts of northern Africa. These uncivilized people were quartered upon one of the highest civilized parts of Europe. That in itself is terrible enough. It was a disgrace for all Europe. But soon came that which was much more terrible. The German authorities were urged, aye, they were simply ordered to establish brothels for the black troops. And for these brothels white women had to be furnished. This happened in the year 1922 after Christ! But, judging from reliable information I received, that was not all. A great number of German women have been outraged by colored soldiers. The newspapers in the occupied territory are not allowed to report these cases; in some instances the press has been ordered to report that such things never happened. It would be an easy matter for me to report shocking details, but I have too much self-respect, and these lines may suffice to indicate what monstrosities our German sisters have been subjected to.

I do not dispute for a moment the right of the French to use colored troops when their country was in danger. That was deplorable, but it was necessary. But as soon as the war was over these troops should have been sent back. By quartering them upon a defenseless country in the midst of highly civilized people the French have committed a crime against Europe. When we were informed recently that the Bolsheviks used Chinese soldiers who committed the most terrible atrocities a cry of horror swept all through western Europe, but when the French sent thousands of colored troops into the Rhineland one keeps silent.

In discussing this matter I set aside all other considerations. I want to forget how tragical the war was and how hard peace is. I look upon this matter as every civilized woman would look upon it, even as a French mother who has suffered so unspeakably would look upon it, when it is submitted to her in all its monstrousness, without any comment. I have discussed it with men who refuse to forgive under any considerations. I told them, "I can understand your attitude toward Germany, but how can you justify it that the French have colored troops on the Rhine." I have not met a single one who justified it. The mildest criticism was, "It is a mistake."

With the phrase, "For the sake of peace and quiet"—to quote a person of high rank—little or nothing is said. I also know that when America entered an emphatic protest the French authorities did everything to make the crimes appear as trifles. The following report, which I received just now, is proof to the contrary. It comes from a person who is thoroughly familiar with conditions: "Despite the protests of foreign governments, the International Women's League, and such excellent men as Romain Rolland, Henri Barbusse, and others



the horror continues. The British representative to the supreme war council in Versailles, General Thompson, has stated himself that it is the truth, that it is impossible to keep under control the primitive passion of African troops. It is still worse that the brothels are not sufficient, and that therefore cruelties and atrocities are frequent. Almost 20,000 colored soldiers are still on the Rhine. Formerly there were 25,000. Then their number was reduced because of the difficulty to furnish quarters for them in the winter. And the horror continues."

That is one side of the matter which ought to be taken into consideration by our French friends. They ought to ask themselves how they would feel if their mothers, sisters, and daughters were subjected to the same abuse. Would they not feel that the memory of such outrages would survive two or three generations and that it ought to be washed off with blood.

France's population is decreasing while Germany's is increasing. Both countries are indispensable for the welfare of Europe. Their disputes may become the source of serious trouble for the whole world. In theory we had approximately four years of peace, but in fact a condition still exists that makes peace impossible. Therefore English women must rise in protest, not only for their German sisters but for the cause of world peace. The protest is to be submitted to Parliament. Every woman in England must get busy to support this action. If France fails to put an end to the black horror, we women must instigate a boycott of French goods, clothes, and wine; to be short, we must not buy anything exported by France. I believe this threat would be sufficient, and if the women of England would demand that these crimes be stopped they would be a thing of the past in a very short time.

Mr. REED of Missouri. What is the date of that?

Mr. HITCHCOCK. I do not know the date of it. The Senator from Idaho [Mr. BORAH] gave it to me, and I am not advised of the date. What Lady Francis says there is true, Mr. President. This issue is not limited to the abuse of women and girls in Germany. This action is going to lead to war, and it is intended to lead to war. It is provocative. It is done for the purpose of arousing Germany to resent it. It can not be for any military purpose. France with her 700,000 men has no need to keep 25,000 men of an inferior race there, whether they are Moroccans or Senegalese or Tunesians, or whatever they may be. There is no military excuse for it, and it is not done for a military purpose. These men are housed there sometimes in German families, sometimes in barracks, and

sometimes in public institutions, evidently for the purpose of provoking and exasperating the Germans to resistance in order that France may have an excuse to enter with military force and possess herself of German territory, because this is not the only thing France has been doing which can be interpreted in only one way, and that is toward exciting resistance and giving an excuse for the entry of French soldiers into territory not yet occupied.

Mr. President, I have shown that the colored troops are there, and when I say "colored troops" I ought to say half-civilized troops, because I am not reflecting on the colored men of this country. Those men over there are half-civilized troops. They are far away from home, and they are installed in German families, as I said, as well as in barracks of their own, and they are given police power. They are in the attitude of conquerors. As Clemenceau says, they are in the enemy's country.

I hold in my hand what I feel justified in vouching for as reliable information concerning the establishment of houses of prostitution for the use of these men, not for the use of white men but for the use of these half-civilized black men. Evidently the need is appreciated for something of that sort, and, as stated, white women are taken and put into these houses of prostitution for the use of these half-civilized blacks. I read from the first part of this document:

The establishment of brothels upon official demand of the army of occupation is confined to the territory occupied by the French troops. Nineteen brothels were originally kept in 16 places, of which 12 are still being maintained in 12 places. Moreover, the establishment of a brothel was demanded at Treves a short time ago. Information about brothels for the occupation troops established upon demand in the occupied territory on the Rhine follows.

The names of those brothels no longer maintained since November 1, 1921, are underlined.

I would like to have them so indicated in the RECORD, and I ask to have the balance of this document printed.

There being no objection, the matter was ordered to be printed in the RECORD as follows:

Place.	Location of the brothels, street and number.	Demanded by—	Established on—	Building, etc., expenses incurred.
1. Siegburg (18,350 inhabitants).....	Allee Street 119.....	French troops.....	December, 1919, and January, 1920.....	Marks. 131,750.89
2. Kaiserslautern (55,700 inhabitants).....	Allee Street 6.....	Delegate of the district, Major Der- ville.....	Mar. 20, 1919.....	
3. Ludwigsbafen (95,000 inhabitants).....	Damm Street 34.....	Commandant.....	Beginning of January, 1919.....	59,000.00
4. Landau (14,760 inhabitants).....	Kaufhausgasse 7.....	French commandant.....	Jan. 6, 1919.....	8,365.17 5,566.50
5. Speyer (23,580 inhabitants).....	Diakonissen Street 68-70.....	Occupation authorities.....	Beginning 1920.....	
6. Kastel.....	Luenette-Erbenheim.....	French troops.....	1919.....	70,000.00
7. Kostheim.....	Barracks.....	do.....	do.....	130,000.00
8. Weisenau, near Mainz.....	Fort Weisenau.....	do.....	do.....	1,500.00
9. Bingen (10,000 inhabitants).....	Nahkai.....	Delegates.....	Apr. 1, 1919.....	67,482.19
10. Griesheim (camp).....	Barracks.....	Occupation authorities.....	1919.....	14,885.26
11. Trier (55,106 inhabitants).....	Schiersteiner Street 68.....	Thirtieth Army Corps.....	Apr. 1, 1919.....	101,530.51
12. Wiesbaden.....	Delaspee Street.....	Adm. mil.....	do.....	123,960.19
12a. Wiesbaden (100,000 inhabitants).....	Brunnen Street 3.....	do.....	Oct. 24, 1919.....	
13. Langen-Schwalbach (2,600 inhabitants).....	Obergasse 15.....	do.....	Dec. 1, 1918.....	25,251.00
14. Idstein (3,600 inhabitants).....	Hamburger Street (official build- ing).....	Commandant.....	do.....	8,000.00
15. Hoechst (28,400 inhabitants).....	Mainzerland Street.....	do.....	Kept one month, October, 1919.....	20,000.00
16. Hoechst.....	Schul Street 10.....	Delegate of the district, Diez.....	Nov. 15, 1921.....	31,384.42
17. Bad Ems (7,400 inhabitants).....	Oranien Street 11.....	Adm. mil.....	Nov. 14, 1919.....	839.02
18. Diez (3,100 inhabitants).....	Near No. 29 (Café Maure).....	Commandant.....	June 6, 1920.....	2,427.70
19. Diez.....				
Total.....				801,942.85

The total costs incurred to the German Government by the enforced establishment of brothels till the end of October, 1921, amounts to \$02,000 marks; e. g., at the rate of exchange in 1919-20 about \$50,000.

Mr. HITCHCOCK. Mr. President, these 19 brothels, of which some have been discontinued, are listed here in towns ranging in size from small places, like Bad Ems, to the larger places, like Wiesbaden, with 100,000 population. The street number of the brothel is given, and it is specified in another column who demanded their establishment, and when they were established. The cost of each is given. This cost has had to be paid by the German Government, or by the localities when the German Government so required. The people of Germany have been taxed, in other words, to maintain those institutions in those towns and to keep white women in them.

Such demands come from the French, from French officers in the various districts, and it is most conclusive admission that those French officers realize the character of the men with whom they have to deal. There has not been anything required in any other territory except the territory occupied by these half savage men. I have no doubt that the German authorities were glad to have them established, in a feeble effort to protect their women.

M. Clemenceau said in his statement that there was only one case of criminal assault. He said that before leaving Paris, anticipating something of this sort, he asked officials in Paris for information, and was told that there had been only one established case of a Senegalese having mistreated a German woman, and he was punished. If anything, that statement by M. Clemenceau is even more preposterous and more inaccurate than his other statement that there were no black troops in Germany at this time. I hold in my hand here a book entitled "Outrages Committed by Colored Troops on the Rhine. Authentic Report." It is translated into English. Originally it was published in Germany. It specifies, in its seventy-odd pages, something like a hundred cases. In some instances the case is represented by the statement of the victim, giving only her initials, but the dates, and the name of the town. In other cases the statement is the statement of the police officer in the town who investigated the case. In other cases it is the father or other relative of the victim. But they are given in a detail so disgusting that it is impossible to put them into the RECORD.



They are given evidently for the purpose of establishing the facts. It is not possible that all of that can be fraud. Anyone is at liberty to examine this pamphlet which I have here, and there is no possibility of a fair man reading those statements, in different languages, by different victims, without coming to the conclusion that in the main, at least, they tell the truth.

That is not all, Mr. President. Not only is M. Clemenceau contradicted by such detailed statements as that, but he is contradicted by the apologists for France. Mr. J. Ellis Barker, in an article published in the New York Times Current History recently, was apologizing for France and defending the practice and doing what he could to justify France for keeping colored troops on the Rhine. But he was compelled to admit that the number of the accusations brought for the violation of women and crimes of violence were 227. But he said that the number found justified on an examination amounted to only 72.

That may possibly be accurate. It happens time and time again, when crimes of that sort are committed against women, even in this country the women are not able to identify the men who commit the crimes; and so undoubtedly over there, with thousands of these half-civilized troops quartered in a town, the girl victim or the woman victim in many cases no doubt is unable to identify the cause of her distress. It is not possible, with men of that type, for white people to tell them apart, and no doubt there are many complaints and many failures to identify. But the fact, as this apologist for France admits, that there were 227 cases is very good evidence that there was a very large number of offenses, even in the best phase that can be put upon it.

This writer also gives, fortunately, the figures of colored troop occupation. From December, 1918, to May, 1919, there were 10,000 colored troops in Germany, he says. From May, 1919, to March, 1920, there were 35,000. From March, 1920, to June, 1920, there were 25,000. From June, 1920, to January, 1921, there were 20,000, and, as I have shown by the exhibit which I presented a few moments ago, there are at the present time 23,000. So that there has been a steady policy of keeping these troops unnecessarily in German territory, without any military reason whatever.

The sentences imposed upon men who were convicted, according to the statement of Mr. Barker in apologizing for the policy, were penal servitude for life for 1, five years' imprisonment for 5, less than five years for 23, disciplinary punishment for 23, trial pending or adjourned for 20.

One of the complaints the German women have made is that they can not get justice in the French tribunals; and very obviously they can not get justice, because the whole attitude of the military establishment there is one of justification. The poor woman who comes in to make the complaint is at every possible disadvantage. She is not in a position to prove her case—she lacks witnesses; she has only her own testimony; she has difficulty in identifying—but the fact that only comparatively few have been convicted is no excuse whatever for a continuation of the policy.

Mr. President, very recently, in fact just a few moments ago, there was placed in my hands an additional list of offenses committed against women by these half-civilized soldiers—not last year, not the year before, but this year, almost up to date. Here is one, with the names mentioned, on June 21, 1922; another on July 2, 1922; another on July 6, 1922; another one on July 10, 1922; another on the 25th day of July this year; another on the 30th day of July; another one on August 14, 1922.

I am not going to put the details in the RECORD, because they are unfit for publication, but I cite them to show that these crimes are going on now and that M. Clemenceau, when he said there are no black troops in France, was evidently misinformed, to say the very least. It does not make any difference whether we call them black troops or brown troops or Moroccans. Whatever color designation should be given, they are committing these crimes and it does not matter whether we call them black or brown or how we designate them.

I am going to give one instance here, because it has already been published in a New York paper and vouched for by a man who has been on the ground. With the consent of the Senate I shall read it, as follows:

One more incident in relation to the injury inflicted upon a defeated people. Imagine the vine-covered banks of the Rhine. Let us take the old city of Boppard. It nestles there, in a curve of the Rhine. There are the quaint streets, the Old World dwellings, places of business, public houses, squares, markets, inns, and the little station, with its beers and wines and sandwiches, always the little creature comforts, all typical of the Rhineland.

Away on a hillside, far above the quiet village, stands an old convent. It is one of the secluded seminaries where young women are educated. In the summer of 1921 all of Germany was aflame over the Boppard case—

That is only a year ago, Mr. President—

Two ladies had gone to Boppard to visit their respective daughters, young and pure, pupils in this convent. In the afternoon the two ladies and the two young girls went for a walk out into the shady forest of the Tannus Mountains, through which here the old Rhine flows on its way to the northern flatlands.

On that sunny afternoon, in their homeland, near a cloister and in the presence of distracted mothers these two young girls were set upon by black men, assaulted and outraged. This is a matter of record. It happened while I was within a few miles of Boppard. I have seen the convent and I know the story is true. I have set forth a few reasons why we white people here should demand an answer now of M. Clemenceau the reason why France still maintains a guard of black men over white people on the Rhine.

Respectfully,

P. PAULI,

2211 Broadway, New York City.

That is only one case of hundreds and, as the former prime minister of Italy, Nitti, said, it is a moral crime against Europe, it is lowering the moral standard of Europe, it is reverting to the conditions of the Middle Ages in this century of ours.

Now, Mr. President, I want to leave that subject. I believe I have established the fact that Clemenceau was mistaken when he said there are no black troops of that kind in Germany. I believe I have demonstrated he was mistaken and was making a preposterous statement in saying that there is only one case of abuse of German women by Senegalese soldiers, and I think I have established the fact that France herself has recognized the character of these men when she has required Germany at large expense to establish brothels by taxing the people to put white women in there for the use of these men.

I want to go to another provoking attitude of France toward Germany, the attitude of demanding impossible reparations. It is a story which was rather interesting when it occurred that at the peace conference in Paris the American delegation strove in vain and the British delegation in a lesser degree strove in vain to prevent the incorporation in the treaty of impossible reparations against Germany. At that time they were left vague and undefined. Later on the amount has been fixed at \$33,000,000,000 which Germany is required to pay within practically 30 years. My position is, and it is the position of many other people in all parts of the world, that the attempt to demand such enormous reparations, which are impossible, indicates that the purpose of France is not to get the reparations, but to keep Germany in subjection and, if possible, cause a dismemberment of Germany in order that the German people may go to smash. France needs the reparations, I admit that. France ought to have all the reparations that Germany can be forced to pay. But when impossible reparations are demanded, no good is accomplished for France, no good is accomplished for any part of the world, and the only thing that is accomplished is to keep things in a condition which inevitably is going to result in war and possibly in the crash of Germany.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER (Mr. SUTHERLAND in the chair). Does the Senator from Nebraska yield to the Senator from Tennessee?

Mr. HITCHCOCK. I yield.

Mr. McKELLAR. Will the Senator state about how much Germany has already paid in the way of reparations?

Mr. HITCHCOCK. I doubt whether I can give that very satisfactorily. It is not a large amount in cash.

Mr. McKELLAR. I think she has paid a good deal in kind, in cattle and various kinds of merchandise.

Mr. HITCHCOCK. Yes; that is true. The Senator from Oklahoma [Mr. OWEN] has just indicated to me that \$33,000,000,000 would be an amount of damage which France could not possibly have suffered, but I do not know anything about that and therefore I do not discuss it.

Mr. OWEN. Mr. President, the suggestion which I made to the Senator from Nebraska was that 5 per cent of the area of France was devastated by the war. If \$33,000,000,000 represents the value of that 5 per cent, then the value of France would be \$660,000,000,000, which, I think, is very much larger than anyone has ever estimated it to be.

Mr. HITCHCOCK. I am willing for the sake of the argument to say that France needs all of the \$33,000,000,000, willing even to say that she has suffered to that extent, but we all know, and it is pretty generally conceded everywhere and has been conceded at every international conference, that there is no possibility of Germany ever paying anything like that amount. At the present time France is utterly unable to begin paying to the United States the \$3,000,000,000 that she owes us. That is less than 10 per cent of what is being demanded from Germany. The allied countries are claiming from Germany \$33,000,000,000, and France has the lion's share, and yet France confesses to us that she is utterly unable to pay us \$3,000,000,000, and we believe it. We know that French finances are in such



shape that she is not even able to pay the operating expenses of her Government. She has a deficit every year. She is sinking deeper and deeper into the morass of debt. What is true of France is true of Germany. The idea of demanding \$33,000,000,000 of Germany even in 30 years constitutes an impossible demand.

Now, Mr. President, I want to read a few words from an independent source. It is the Outlook of England, published in London. Under the heading "The dance of death," a writer has this to say:

[From the Outlook, August 12, 1922.]

EUROPE'S DANCE TO DEATH.

M. Poincaré's proposals to grant Germany a moratorium, and at the same time by "productive guarantees" to exact from Germany during the duration of the moratorium more reparations than if the moratorium were not in effect, are more than impossible. They are incredible. They are insane. Every non-Frenchman at the conference thought so, even the Belgians, who alone found themselves compelled at times by political considerations to lend France qualified support. The expert committee, asked to decide whether the French program would produce cash, fairly thundered a negative. English, Italians, and Japanese agreed that the proposed allied control of German mines and forests would yield no reparations, while even Belgium could not stick the French plan for a customs barrier around the Ruhr and between the occupied areas and the rest of the Reich, or the suggestion that the Allies take over a 60 per cent share in factories on the left bank of the Rhine.

Another writer in the same British publication has this to say concerning the purpose of France in demanding these impossible reparations. Speaking of Poincaré, the present French prime minister, this writer in the London Outlook says:

He knows, like every other sensible man in Europe, that Germany can not pay the astronomical indemnities. He nevertheless stated categorically that France intends to exact them, and, if necessary, by force. All the protestations of good will and fairness that he made ring as hollow as the fair words about the "will to peace" of the German people with which the Kaiser from time to time used to cozen the world.

Later in the article, in referring to a French paper, this same writer says:

Le Temps has suggested that the German indemnity be reduced from £6,600,000,000 to £2,500,000,000. (The latter is the figure we ourselves put forward early in 1921, with the result that we were accused, not only in France but in England, of fattening on German gold.)

A little later in the same article this British author says:

There are politicians and soldiers in France, and we fear M. Poincaré is in their camp, who believe that the true safety of France lies in the destruction of Germany and the glory and the destiny of France in the elevation of their country to the position to which her preeminence in war, in art, and science, and civilization manifestly entitles her. France, according to this doctrine, must destroy Germany or in time Germany, with her greater population and industrial power, will annihilate France; moreover, if France does irrevocably ruin her ancient enemy she thereby attains the hegemony of Europe and for generations to come can rule the Continent. Her armies of blacks will supply her lack of young men and her missions of control prevent other nations from preparing matériel for modern war by threats against any country that appears restive to launch la guerre préventive.

All this is very horrible, but observe how it corresponds with the facts of French policy. If those conceptions are in M. Poincaré's mind, he is no madman seeking a will-o'-the-wisp of reparations in the German swamp, but a cold-blooded, infinitely dangerous political anachronism attempting, for the sake of la gloire, to plunge Europe back into the Middle Ages. Every time M. Poincaré opens his mouth in public he increases panic and ruin in Germany, and he has the satisfaction of accurately registering the damage he has caused by watching the mark plunge down a thousand, two thousand points in response to his threats. All the drumfire of 2,000 allied cannon on the battle front in France never did half the damage to Germany that M. Poincaré has learned can be inflicted out of his own mouth by 2,000 words. Why does he pursue his present course? Any other rational explanation of his policy than those we have indicated is, indeed, difficult to discover.

Mr. President, the world is coming to that conclusion, and it would be wise for M. Clemenceau, if he wants to get the state of public opinion in the United States, to take it back to his people that the public opinion of the United States, as well as of the rest of the world, condemns the present policy of France which looks to using the existing treaty as a means of continuing the war which ended in November, 1918. That is the indictment brought against France at this time; that she is using the present treaty and her existing power to continue her war on Germany, and that the result of that policy will inevitably be to plunge Europe into another war, and, perhaps, to plunge the whole world into another war. I have not any doubt that it is the overwhelming public opinion of the United States to-day that France should be condemned for this policy.

I hope that when M. Clemenceau goes back to his country he will convey to the people of France the very distinct impression that America resents the present policy of France and will not enter into any form of cooperation with France with regard to Germany until that policy is discontinued. When the United States signed the treaty of peace with Germany it was to be a real peace; it was to end the war. The American people can not tolerate the idea that the war to destroy Germany is to go on.

The American people have a material interest as well as a sentimental interest in this matter. We in the United States can not get out of the depression in which we are now involved until a start is made toward the rehabilitation of Europe. We have our great surpluses to sell; we can not sell them except to Europe; and Europe can not buy them so long as this policy of destruction continues between two of the great nations of Europe. We have a right, and I hope the American people will make that right evident, to complain when a policy is pursued in Europe of continuing war along the lines that France is now continuing it.

Mr. President, France stands in her own light by a policy of this sort. When France requires Germany to pay \$400,000,000 a year toward maintaining an army of occupation on her own soil, France is making it impossible for Germany to pay reparations. When France indulges in a constant pressure on the German Government to make a republic impossible, France is bringing about directly the inevitable cause of Germany going either into militarism or into Bolshevism, in either of which events further destruction in Europe is inevitable.

Mr. President, there is a great sympathy in the United States for France. I realize it, and I share it. I should like to see France procure what reparations are possible to restore the devastated region of France, so far as they may be restored, but it can not be done by this method. This is a method which will prevent it; this is a method which makes reparations impossible. The only sane way is for France to counsel with the other countries of the world and ascertain what reparations Germany can pay, and when that sum is determined to accept that amount.

Mr. President, why is it that Germany to-day has no credit and can borrow no money? It is because of the French policy. So long as France pursues her present policy toward Germany the bankers of the world will loan Germany no money, and there can be no relief until German credit is reestablished. When France names a reasonable figure for reparations, one which it is possible to pay, the financiers of the world will finance Germany and give her credit. Then Germany will be able to pay France; then, perhaps, France will be able to pay the United States; and then, perhaps, the work of rehabilitating the world may begin; but so long as France, the very center of the world situation, insists on demanding reparations which are impossible and continues her policy of seeking to dismember Germany there can be absolutely no rehabilitation of Europe. Germany can not get credit; loans can not be made; Germany can not pay France; France can not pay the United States; France can not pay Great Britain; every nation in Europe is going to sink into debt deeper year by year, and we are going on with the mad dance of death to a destination that none of us can as yet foresee.

So I say that it is time that some one, some friend—and the United States is a friend of France—should notify the French Government and the French people that they can look for no form of cooperation from the United States so long as this destructive policy is followed, and that such a policy meets with nothing but condemnation from the people of the United States.

If M. Clemenceau came to this country with a desire to find what the real opinion was here, I have done my part toward giving it, and I doubt whether there will be any responsible man in public life who, knowing the facts which I have brought into the Record here, will justify France in the attitude which she has taken. I hope that M. Clemenceau when he returns to France will use his great influence to convince the French people that the way of salvation is moderation, and that peace on earth and good will toward men will do more to rehabilitate France than another great European war, which will result in ruin and destruction not only to Germany but to France as well.

INTERRUPTIONS FROM THE PUBLIC GALLERY.

During Mr. HITCHCOCK's address a colored occupant of the public gallery rose and said, "Mr. President, may I interrupt the Senator a moment?"

At the conclusion of Mr. HITCHCOCK's remarks,

Mr. HEFLIN. Mr. President, I rise to a point of order. A moment ago, when the Senator from Nebraska was speaking, he was interrupted by a negro in the gallery on my left. This is the first time that I have ever seen such a thing occur when the person interrupting was not removed from the gallery. I once saw a white woman ejected from the gallery in the House of Representatives for interrupting a speaker on the floor of the House; I have seen white persons ejected from the gallery of this body for interrupting the proceedings of the Senate. This is the first time that I have ever seen such an indignity

and insult offered the Senate when the person offering it was not ejected from the gallery or even reprimanded by the Chair. I now demand that the person who interrupted be removed from the gallery for this insult and indignity offered to a United States Senator while discussing a question on this floor. He sits up in the gallery now; he has not been removed; he has been permitted to remain sitting there; and I am unwilling, as a Member of the Senate, to permit such an incident to pass unnoticed. I challenge his right to sit in the gallery and demand that he be removed as a punishment for the insult and indignity offered to a United States Senator upon this floor and to the Senate itself.

Mr. CURTIS. Mr. President, as I understand, the man in the gallery rose and asked if it would be in order for him to ask a question of the Senator speaking. That is all he did. He at once was called upon by the doorkeeper—at least I saw the doorkeeper speak to him—and I judge that he was told he could not interrupt a Senator or speak from the gallery. Since that time he has not said anything. I do not think the man intended any harm. As I understand, he asked a question such as a man might ask if he knew nothing about the rules and practice of the Senate. He has been informed that he can not interrupt. I am sorry the Chair did not tell him so, but I think the better way to do is to let the matter alone. No doubt the man will not again interrupt a Senator or the Senate.

Mr. HEFLIN. Mr. President, the Republican Party is in the majority here and therefore has control of the situation. I protest against the failure to act in this instance, and I bring it to the attention of the Senate. I am powerless, of course, to go beyond that. If this negro does not know any better, he needs to be taught better sense than to stand up in the gallery and to interrupt a United States Senator while he is discussing a question on the floor of the Senate. He has no business to sit in the gallery. We have seen white women removed from the gallery of the House and white men and women removed from the gallery of the Senate, and yet a negro is permitted under Republican rule to retain a seat in the gallery when he has interrupted the deliberations of the Senate and violated the rules of this body.

Mr. HITCHCOCK. Mr. President, so far as I am concerned I take the same view of the matter that is taken by the Senator from Kansas [Mr. CURTIS]. I think it was through ignorance that the young man made the mistake.

Mr. HEFLIN. I do not think it was through ignorance at all; I think it was through impudence.

Mr. HITCHCOCK. Well, Mr. President, whatever it was, he at once subsided, and, while it would have been proper for the Presiding Officer to have had him put out of the gallery, so far as I am personally concerned I hope he will not be interfered with or reflected on. I know there are many people who come here not realizing the fact that they are not allowed to speak from the gallery.

Mr. HEFLIN. Mr. President, there are very few such people. If we are going to eject the white women from the gallery when they seek to interrupt a Senator on the floor and white men are to be ejected, why shall a negro be permitted to do the same thing and then remain unmolested in the gallery? We had just as well settle this question now. Shall people be permitted to interrupt a Senator, I do not care what he is talking about, by "hollering" at him from the gallery? Evidently something was being said that this negro objected to and he boldly blurted out an interruption to the Senator. He was not even reprimanded for his act, and still occupies his seat in the gallery. I protest against it, and I demand that he be put out.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield?

Mr. HEFLIN. I yield.

Mr. REED of Pennsylvania. The man against whom the Senator is protesting is a wounded colored soldier. If it gratifies the Senator, he may know that the man has been removed, and the Senator may have the satisfaction of having driven from the gallery of the Senate a man who was wounded in the service of his country.

Mr. HEFLIN. I do not care how many uniforms he has on; he has no business to stand in the gallery and interrupt a United States Senator on this floor. He was not removed until I demanded that he be removed. We are not going to make the Senate Chamber a place where anybody can stand in the gallery and interrupt a Senator and seek to heckle or intimidate him. We will have that some day if we permit such a thing as this.

This sort of interruption is not going to be carried on while I am here; and I protest against this kind of discrimination against the white people in favor of the negro who was sitting in the gallery.

#### LIBERIAN LOAN.

The Senate resumed the consideration of the joint resolution (H. J. Res. 270) authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia.

Mr. SHORTRIDGE. Mr. President, I wish to detain the Senate but for a few moments to invite their attention to the joint resolution which is before us for consideration and which is to be disposed of within a very short time.

I very earnestly ask Senators to pay heed to the facts which are involved in this proposition. I venture to say that the preamble of this joint resolution sets forth historic facts which do honor to America and reflect credit upon Liberia. I must assume that Senators are familiar with these historic facts. It ought not to be forgotten that this little Republic had the earnest, heartfelt sympathy and encouragement of one of the early great men of this Republic. It ought not to be forgotten that Thomas Jefferson was largely instrumental in bringing about the establishment of this little Republic in the then dark continent. It ought not to be forgotten that this little Republic has had the earnest and sympathetic assistance of this great Republic from the day Liberia was founded, and that our Government in various and sundry ways has manifested its interest in that little, struggling country.

I repeat that the preamble sets forth briefly historic facts, which do honor to our country and reflect credit upon little Liberia.

Moreover, it should not be forgotten by us, if by others, that this little country became an associate or an ally of ours in the Great War; nor should it be forgotten by any Senator on this floor that that little country imperiled its very existence when it joined with us.

Mr. REED of Missouri. Mr. President—

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Missouri?

Mr. SHORTRIDGE. Certainly.

Mr. REED of Missouri. What did Liberia contribute to the war?

Mr. SHORTRIDGE. I will answer the Senator in this way: She declared war on August 4, 1917. I repeat, she imperiled her very existence. She was weak; she is weak; she was exposed. She was in a position where her independence could have been absolutely destroyed and would have been destroyed if Germany had triumphed in the war. She sent no army into the field. She had none. She sent no navy into hostile waters. She had none. But her position was such, her resources were such, as to be of service to the Allies or associates, and she was willing to give all in her power to aid the common cause.

Mr. REED of Missouri. Will the Senator tell us what resources she contributed?

Mr. SHORTRIDGE. In a moment.

Mr. REED of Missouri. The Senator says she did not give us any army; she did not give us any navy. What resources did she have that she contributed?

Mr. SHORTRIDGE. I will answer the Senator and will approach the matter in a moment more in detail. I have answered. Her assistance was sought. She was induced to join with us, and she stood ready and willing to furnish men if called upon. She was not called upon; they did not enter the battle line; but she became an ally and an associate.

Mr. REED of Missouri rose.

Mr. SHORTRIDGE. Pardon me a moment, for I do not purpose speaking long. I also assume that Senators have some definite knowledge in respect to the extent of this little country. It is about the size of Ohio or New York. It has a population of, say, 1,050,000. Ten thousand of those people are called Americo-Africans. They are emigrants from this country, or descendants of emigrants; and it should not be forgotten by the learned Senator from Missouri that every statesman from Jefferson to this hour has encouraged that country and, along with that view of public policy, has urged emigration to that country from America. That is a collateral thought, and yet it enters into my mind.

Of those occupying the towns along the coast some 10,000 are so-called Americo-Africans. There are probably 40,000 people occupying the coast towns; and right there let it be not forgotten, either, that out of reverence for this Republic they named their town Monrovia, after the great man that we all revere, President Monroe; also, that they have modeled their constitution after ours, that they have always looked to this country as



their friend, and that this country up to this hour has always been the friend of that little Republic.

It is true that there are 1,050,000 of these people, and they are colored men; they are negroes. I do not choose to call them "niggers." They are colored men, and they were willing to do what other colored men did—shed their blood in the forefront of battle in order that this Republic might triumph. In addition to the 40,000 living in the coast towns there are a million more of them, divided into many tribes, living in the interior, making in all practically 1,050,000 people.

Mr. REED of Missouri. Mr. President, will the Senator yield for another question?

Mr. SHORTRIDGE. If the Senator will pardon me for a moment, I wish to finish. When I have concluded, and covered brief notes that I have, I shall be very glad to join in any colloquy.

Liberia became our ally on August 4, 1917. I necessarily repeat when I say that by so doing she showed her friendship for us and for others, for it is manifest that had the battle gone otherwise her little territory, her independence, all would have been swept away. There may be those who attach no importance to that. I am not one of that class. I appreciate it, I praise it, and it enters into my views as to what we should do in respect to this joint resolution.

Liberia does not come here asking a gift. She does not ask us to give her anything. She does come, however, asking for a loan of \$5,000,000. Have not other nations of Europe come in the same guise? Have we not loaned money to great empires and great republics? Have we not loaned in the aggregate over \$10,000,000,000 to the different nations of Europe? And do not those nations of Europe to-day owe us over \$11,000,000,000, principal and interest?

When did we loan that money? I invite the attention of my friend from Missouri to that question. When did we loan these \$11,000,000,000 to European countries or peoples or nations?

Let me answer my own question. I read from an address by Mr. Eliot Wadsworth, Assistant Secretary of the Treasury, delivered on November 24. Four years ago, Mr. President, the armistice was signed. From the signing of the armistice we have loaned to European nations over 30 per cent of the total amount now due us from those countries—a fact with which, I frankly confess, I was not familiar until so advised by the Assistant Secretary.

He said:

After the armistice the United States continued its financial support to Europe on a liberal scale, not alone to clean up war liabilities but to help meet the needs of old and new nations precipitately changing from a war to a peace basis. Loans of two and a half billion under the Liberty loan acts, eighty-four million under the relief acts, were made, while much-needed supplies were sold on credit by the Army and Navy to an amount of \$575,000,000, a total of \$3,154,000,000, or over 30 per cent of the total loans which we are now discussing.

The Secretary was discussing the proposition advanced by many European diplomats and propagandists and by some strangely constituted Americans that we should cancel these debts, that we should wipe them off, forgetting the while that we are burdened with a national debt of some twenty-three or twenty-four billion dollars, much of which was incurred in order that we might loan to these European nations the full \$10,000,000,000. But since the armistice, entered into full four years ago, this Nation has loaned to these nations of Europe the large, the colossal, sum of \$3,154,000,000, or over 30 per cent of the total loans which we are now discussing. I invite attention to this fact—to these loans made after the armistice—in order to add that if it was wise, if it was proper, if it was just, if it was right for us after the armistice to loan these vast sums of money to the different nations of Europe who had suffered by the Great War, is it not at least defensible now to assist the little nation of Liberia, which also suffered as the result of the war? Is it not worthy of America, commendable, for us to listen respectfully to the appeal of that little struggling nation, which was willing to risk its very existence along with our allies or associates?

I invite the attention of thoughtful Senators to the facts that we loaned to Armenia some \$11,000,000; to Austria, \$24,000,000; to Belgium, \$377,000,000; to Cuba, \$7,000,000; to Czechoslovakia, \$91,000,000; to Estonia, the new little country of Europe, \$13,000,000; to Finland, \$8,000,000; to France, almost \$3,500,000,000; to Great Britain, \$4,000,000,000; to Greece, \$15,000,000; to Hungary, nearly \$2,000,000; to Italy, one and three-quarter billions in round numbers. To Latvia—do all Senators know just where Latvia is?—we have loaned that little newborn country \$5,000,000. To Lithuania, another new country born out of the Great World War, we have loaned \$5,000,000; to Poland, \$135,000,000; to Rumania, \$36,000,000; to Russia, \$192,000,000; to Serbia, \$51,000,000; and we are told here authori-

tatively that of these large loans full 30 per cent have been made after the armistice four years ago.

I do not criticize the making of those loans. I am assuming, for the purposes of my remarks, that they were wisely made, and that they reflected credit upon us; that they enabled those several nations to rehabilitate themselves; and if all this be true, then, in perfect candor and without any passion, I ask, Senators, will it not be proper, is it not right, that we should now endeavor to help the little country of Liberia by a loan of \$5,000,000?

My friend from Missouri asked me directly, and in such form as would call for a direct answer. What did Liberia do? I answer, as I did before, that so far as I am at present advised none of her people were called to the battle front. She had no navy, but she was willing to give any and all assistance within her power, and in that connection I am indebted to this article, written by Bishop W. H. Overs, appearing in the Current History magazine, published by the New York Times Co., for some very interesting information concerning this little Republic of Liberia. I take the time of Senators to read one brief paragraph:

During the submarine activity of Germany a German submarine visited Liberia.

Liberia has a coast line of some 350 or 360 miles. There are no harbors, but she is so situated as to expose her to the enemy at sea. I continue reading:

The commander sent a message to the Government at Monrovia, stating that the French wireless station must be destroyed, or Monrovia suffer the consequences of an attack by the submarine, which lay in the sea close to the Liberian coast. The people were absolutely at the mercy of the German submarine. They were called together by the President of the Republic.

Who, by the way, happened to be Mr. C. B. D. King, at the present time the President.

The whole facts of the case were placed before them. There were a few who, in a cowardly way, advised the Government to destroy the French wireless station, but the majority of the people declared, "We must be true to our allies, regardless of the consequences to us," and they sent a message to the commander of the submarine refusing his request. Many buildings were destroyed by the submarine shells, and one does not know what the consequences would have been had not an English merchant vessel appeared on the horizon and driven the German submarine from the Liberian waters.

I must assume that the wireless station there was of value, doubtless of military value. A demand was made that it be destroyed. They refused. The town was shelled, and probably would have been destroyed with great loss but for the merchant vessel which appeared and drove off the submarine.

Many things run through my mind, but I can not detain the Senate to express them. There is one thing, however, to which I wish to call the attention of Senators. We have not only loaned vast sums of money to the nations of Europe since the armistice and since the peace; we have, either through governmental agencies or private channels, fed the hungry and sent medicine to the sick, clothing to the naked, and words of cheer and comfort. According to figures which I have here, we have expended in that way probably over seventy-odd million dollars. Up to December 31, 1921, the Near East Relief Association, made up of American men and women from all the States of our Union, advanced over \$51,000,000 in cash, and during this year over \$7,000,000 in cash, to help the weak and the feeble and the sick and the dying peoples of Europe.

In addition to that, Senators will remember the discussion which occurred here on December 6 of last year, when our Government, through a resolution passed, decided to furnish medicines and various other articles either on long-time credit or, if necessary, by way of gift to those in sore need in Europe and Asia. Indeed, we particularly relieved the Russian people, the starving people in China, and many of the hungry and naked and dying people of the Balkan States. What have we not done, what has not this Nation, to its honor eternal, to its glory undimmed, done for Armenia, and what are we now asked to do for that struggling people, which has kept the light on God's altar shining since the fourth century, surrounded by enemies, oppressed by barbaric people?

It is not the hour to pay tribute to my country, though I glory in what we have done, and I shall join with others here or elsewhere in doing more along the same line for the struggling peoples of the world. We are rich, we are great, we are powerful, and in all our relations with foreign nations we have been righteous. What I want is that in this hour Senators here, regardless of partisanship, shall rise and do something for a little country made up of colored men and colored women, which is in form of government a Republic; to aid them in their hard struggle; to loan them some money to build roads, to erect schoolhouses, to assist the churches of Liberia, to assist in their public activities in developing agriculture in that



country, help them to develop their many natural resources. I want my country to help the feeble even as we have helped the strong.

Why, when the poor cried, Caesar wept, but here on this floor when this little country, made up, if you please, of colored men and women, when this little country, rich in resources and able to give us ample security, comes asking for a loan, she is met with scoff and sneer and ridicule. One, and I was not pleased to hear it, thought it timely and seemly and worthy of the American Senate to heap ridicule and irony upon the little republic. It did not cause me to smile, but rather to grieve that any American Senator could forget our own humble beginning and early struggles.

What I am saying now is that we are asked to loan \$5,000,000. The negotiations toward the loan were commenced by a former President of the United States. There is no man born of woman who has ever heard me say one word personally disrespectful to the former President of the United States. In private station and far away I have opposed the policies advocated by him, but never have I questioned his patriotism, never have I had any doubt of the purity of the motives which animated him. He, the former President, his Cabinet, and his administration set on foot the movement for the loan, and the present administration, speaking through the Secretary of State, has informed us that the administration thinks we are morally bound to go forward and consummate the loan. No one argues that we are legally bound to do so, but it is stated here that we are morally bound to do so. Be that as it may, my position is this, and let it be recorded, that whether we are morally bound or legally bound in this present moment, I think we should assist the little Liberian Republic, and I do earnestly believe that that is the wish of the American people. I think that if Jefferson, if Lincoln and all the great Presidents who have favored this republic and assisted it in times gone by could rise in this chamber and speak to us, they would say to you and say to me, "Let us now further help this little country to live and to develop. We watched over it in our day; assist it now."

Nor need we fear to lose by so doing. The plan outlined will safeguard the loan. The resources of that country are ample to pay. We loaned to other countries and they come here, some of them, whining and asking to be relieved from their obligations. I venture to predict that little Liberia will never seek to have canceled nor will she ever attempt to repudiate this loan. Her resources are ample, her administration will be guarded, and we can safely advance the amount.

Mr. President, I have poorly and in an illogical manner presented my views, but I earnestly hope that the Senate will consummate the loan for the honor of our country and the benefit of the Republic of Liberia.

Mr. REED of Missouri. Mr. President, my throat is in no condition to reply to the remarks just made, but there are two or three things to which I wish to call attention as best I may be able.

The Senator from California [Mr. SHORTRIDGE] in advocating the loan of \$5,000,000 to Liberia said that we have loaned money to other countries, hence we should loan money to Liberia. That argument amounts to this, taken by itself, that because we loaned money to great countries engaged with us in a war we should hereafter loan money to every nation that asks for money. Such reasoning arrives nowhere except at an absurd conclusion.

The Senator tells us that the money will be safely loaned. Upon what kind of security? There are 2,000,000 people in Liberia. It is claimed that only 1 out of 500 is civilized. I read from the Encyclopædia Britannica:

Many of the indigenous races of Liberia in the forest beyond 40 miles from the coast still practice cannibalism.

If we go 40 miles from the coast we are among the cannibals. I wonder if the security they give us will be the heads of the missionaries or if it will be the heads of their fellows whom they take in battle and upon whom they feast? Poor little Liberia, over which the tall sycamore of the western coast weeps tears!

But "we should clothe the naked," said my distinguished friend. I read further from the Encyclopædia:

In some of the forest tribes the women still go quite naked.

I presume the Senator is going over there first to lasso them, capture them, and then "clothe the naked." I wonder how long they would be in eating the Senator from California if he went over on that mission, and what a beautiful roast he would make. [Laughter.] With what delight the naked women would dance around the philanthropist from California who proposes to capture them and force them to wear clothes! [Laughter.]

Security? Good security? By a people 1 out of 500 of whom can lay any claim to being civilized? The other 499 are sav-

ages. How many of them are cannibals we are not informed, but they still practice cannibalism, and the Liberian Government, to which it is proposed to loan the money, has not had enough influence or power to stop the roasting and eating of human beings among their own population.

Mr. SHORTRIDGE. Mr. President—

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from California?

Mr. REED of Missouri. I yield.

Mr. SHORTRIDGE. Assuming all that to be so, which I do not believe to be a fact, but assuming it all to be so, why not let us proceed to civilize them?

Mr. REED of Missouri. Yes; let us take some money and go over and build some roads, but let us do something else. Let us make mighty sure that about \$600,000 of that money will not ultimately get into the hands of five or six American grafters. Let us make mighty sure that we are taking care of the loan.

Mr. SHORTRIDGE. That is made sure by the Harrison amendment to the resolution.

Mr. REED of Missouri. Nothing is made sure. When the money goes into the hands of the Liberian Government, it simply means that they can divert such other funds as they have for the purpose of paying the grafters who put this graft through with the assistance of the Senator from California.

Mr. SHORTRIDGE. They could not be as big grafters as have been and are now in this country, and which this administration proposes to throw into jail.

Mr. REED of Missouri. Again the Senator makes the argument, "There were other loans, hence this one must be made. There are other grafters, hence I join with the grafters." It is a great argument to be made from the floor of the Senate, that there were other grafts, hence we should encourage this graft; there were other horse thieves, hence everybody can steal horses; there were other murderers unhung, hence let these men go free; there were other grafters, therefore let this graft be sanctified. What an argument! I would not have made that argument when I was ten years old.

Mr. SHORTRIDGE. If the Senator will pardon me, I have not made any such argument. I do not claim that. The Senator ought to know that I cited the case of other loans to show what the Nation had done since the armistice.

Mr. REED of Missouri. Well, the RECORD will show what the Senator said and what I said, and we will let it go at that. There are only a few minutes left in which to discuss the matter.

Build roads in Liberia when we can not build roads in our own country! There are good roads in California. The people of California had to pay for them. Any nation that is worth anything can build roads over which to travel, but we have not enough money to build good roads everywhere. We have not enough money to build good roads in many places. Let us build some good roads in our own country. We have not enough money to build roads all over Africa for cannibals to lead the missionaries and other victims over as they take them out to roast them alive.

We could take this \$5,000,000 and complete the dams that are in process of construction on the Ohio River and which would turn the commerce of that great section of country into the Mississippi. We have held down our appropriations and have been some 10 or 15 years completing that series of dams. We were told when we were appropriating money for our own internal improvements that the Government could not afford it; that it could not afford it because the taxpayers were too much burdened; and yet if we devoted this money to that purpose in two years' time we could turn into the Mississippi more commerce than will be created by Liberia in 500 years. We could take this money and improve the channel of the Mississippi River from Cairo to St. Louis so that great fleets of boats could ply those waters.

We tried to get the money last year, but the provision for that purpose was stricken out of the bill, because the country, it was said, was too poor and the burden upon our taxpayers would be too great. It is proposed, however, that we shall take an equal sum now to a distant country and build roads where only 40,000 people, it is even pretended, are civilized.

There are more than 40,000 negroes in the city of St. Louis alone. There are only 10,000 negroes in Liberia who, it is claimed, came from the United States. They were sent over there and given land and ought to take care of themselves. It is now proposed, however, that we take this money, which we ought to be expending at home on our own internal improvements, and go over and build roads for a people not 1 of 500 of whom is not a savage.

Oh, it is said, "they helped us in the World War." What a pitiable plea! What did they do in that war? Four or five



colored gentlemen, or it may be fifteen or twenty of them, got together and passed a resolution that war is hereby declared. What a silly performance! They never sent a man to Europe; they never contributed a gun; they never contributed a pound of material; they never contributed an ounce of energy. They merely passed a resolution. The only time they ever sent a man to Europe was when a delegate was sent to the Versailles conference; and we had to pay his fare for the round trip. The whole Government of Liberia could not raise enough money to send two or three delegates to the peace conference unless we paid their fare. They have one gunboat. I read a description of it a few years ago. It was stated that this gunboat would run out, intercept a steamer coming in, and would commandeer enough coal to get back to port.

This proposition would never have been heard of in the world but for the graft that is in it; but for the fact that some speculative gentlemen have bought the bonds of Liberia. That country was being financed chiefly by an English and a French bank before the World War. They practically had it in receivership, with the United States acting as *amicus curiæ* in the receivership proceedings. Now they are going to unload this debt on Uncle Sam. It is now proposed to take this money, which belongs to the people of the United States and does not belong to Congress, and give it to a foreign country.

I challenge the right of Congress to appropriate a penny of the money of the people of the United States for the benefit of any foreign nation. I boldly make that challenge. In war the reason we had a right to loan money to the nations who were fighting by our side was that they and we were engaged in a common enterprise. When we loaned that money we were assisting ourselves and we were loaning it for the benefit of this country by helping other countries to help us as we were helping them. It was a war measure and was constitutional. But I challenge the right of this Government to appropriate a single dollar of the taxpayers' money for any other enterprise than one for the benefit of the American Republic. If Congress has a right to loan Liberia this money, which is collected from the taxpayers of this land, then it has the right in time of peace to loot the Treasury and to continue to loan money to France, to England, to Russia, and to all the other countries of the world; to take the taxpayers' money, which was wrong from them for the purpose of supporting this Government, and establish a national pawnbroker's institution, hang up three balls over it, and go into the business of loaning money.

That, however, is a bad illustration which I have used, for no pawnbroker on this earth and no other man with any sense would ever make this loan with the expectation of ever getting it back. Nobody expects to get it back. It is a graft, pure and simple.

There are two motives back of it. I boldly make the charge. One of them is the force of capitalists who want the bonds which they hold to be redeemed. There has never yet been one of them in modern days, of whom I have any knowledge, who has not been perfectly willing to loot the Treasury of the United States for his own personal benefit. When you encounter an international financier you find a man who is trying to get money from both sides at the same time. All of them would compel the United States, if they could, to redeem at a hundred cents every obligation they bought at a tremendous discount. That is one motive. The other motive is the political ambition of gentlemen to secure the colored vote and to pay for it out of the United States Treasury. I have no doubt that many copies of the Senator's speech will be printed and circulated among the colored brethren of his State when the next election comes around, and they will say, "See what a champion he was of our people; he not only loved the American negro but his heart expanded so that he embraced within it all of the colored folk, even of Africa."

Mr. SHORTTRIDGE. Mr. President—

Mr. REED of Missouri. I will yield in a moment. "His tender soul was tortured by the thought of the naked women over there in the forests, and he wanted to see them clothed; and so, my colored brethren, we ought to vote for this great friend of ours who so nobly defended us in the Senate of the United States." That is the motive back of this joint resolution.

Mr. SHORTTRIDGE. Mr. President, will the Senator yield for a moment?

Mr. REED of Missouri. I have only four minutes left, but I will yield to the Senator.

Mr. SHORTTRIDGE. Such is not my motive; but I wish to say to the Senator from Missouri that I am the friend and, if necessary, here or elsewhere will become the champion of the negro, whether he be in America or in Africa, as I will be the champion of any poor, lowly, struggling man.

Mr. REED of Missouri. That is just what I said.

Mr. SHORTTRIDGE. I am not saying this for the people of California, because every colored man, woman, and child in California knows my life and knows the sentiments of my life, which I adhere to and here proclaim.

Mr. REED of Missouri. I gave the Senator an excellent opportunity to reiterate and reaffirm his affectionate regard for the colored race. I believe that the colored man is entitled to decent treatment in this country, but I do not believe that in order to get his vote we ought to take \$5,000,000, wrung from the taxpayers of this country, and send it 7,000 miles from here to be expended building roads in a country which is inhabited by barbarians, savages, and cannibals. That is too expensive a way to get votes. It would be better to get them by direct action here. The only difference is that to obtain such votes by direct action here the political committee would have to pay for them, whereas if the funds can be had out of the Treasury of the United States it is a mighty cheap way of campaigning.

Mr. SHORTTRIDGE. Mr. President, will the Senator permit me just one further observation?

Mr. REED of Missouri. I have only three minutes left now, but I will give the Senator a part of my time. I wish to be fair.

Mr. SHORTTRIDGE. I merely wish to say that I do not think the eloquent Senator from Missouri would have uttered such sentiments when the same colored men were fighting for us and shedding their blood on the battle fields of Europe.

Mr. REED of Missouri. I said that I wanted the American negro to be treated decently—

Mr. SHORTTRIDGE. But he is not being so treated.

Mr. REED of Missouri. And he will be treated decently by me. He fought and he shed his blood, but it is not proposed to give him this money; it is proposed to give money to some cannibals in Africa. Who has reflected on the American negro? I have not. The only reflection that is made on the American negro is by the man who thinks he can fool the American negro into voting for him by voting away \$5,000,000 of other people's money, to be sent six or seven thousand miles from the place where the American negro can not even get a sight of it. That is the reflection, and it is the only reflection that is cast on the negro here to-day, and it is cast by those who think that he can be purchased in that way. There are many American negroes who have risen to a point of intelligence and patriotism where they will resent just such action as this. There are many of them who are beginning to take broad and big views of life. My hand has never struck a blow and my voice has never uttered a syllable against the negro in America who tried to make a good citizen of himself, who improved his opportunity as best he may.

The Senator from California says America is rich. How long will America remain rich with statesmen who propose to vote money away in this reckless fashion? Where shall we place the limit upon the waste of the money of our people? I would rather take this \$5,000,000 and establish great hospitals for the negroes in this country, if it is desired to get the negro vote by giving him special attention; I would rather take it to feed some people who are hungry; I would rather take it to build some great public works that would be of benefit; I would rather keep it in the Treasury where it belongs and where we can devote it to proper purposes.

It is said that there is a moral obligation involved. I affirm to the Senate there is no such thing as a moral obligation that can be connected with any appropriation of this kind. If the Government of the United States, acting within its due authority, committed itself to the proposition, it is a legal obligation, and if it went outside of its authority, then it was guilty of an attempted usurpation, and usurpation is about the worst crime that can be committed. I do not believe there has been an act of usurpation. We, the Congress, do not own this money; we act merely as agents. When we act within the purview of our authority we create a binding legal obligation; but when we go outside of our authority we are usurpers; we violate our oaths of office and our duty to our constituencies. Hence, when you talk to me about a moral obligation in connection with a thing of this kind I reject it and repudiate it, because it is the most immoral thing in the world to claim that any man can commit the American people to any obligation.

It is time we ceased this miserable wasting of the people's money. It is time we took such bills as this and put them forever in the wastebasket and let them remain there.

The VICE PRESIDENT (at 2 o'clock and 30 minutes p. m.). The time for debate under the unanimous-consent agreement has expired.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.  
The roll was called, and the following Senators answered to their names:

Ashurst	George	McNary	Simmons
Ball	Gooding	Myers	Smith
Bayard	Hale	Nelson	Smoot
Borah	Harrell	New	Spencer
Brandegee	Harris	Nicholson	Stanfield
Broussard	Harrison	Norris	Stanley
Calder	Heflin	Overman	Sutherland
Cameron	Hitchcock	Owen	Swanson
Capper	Jones, N. Mex.	Page	Townsend
Caraway	Jones, Wash.	Philpps	Underwood
Culberson	Kellogg	Pittman	Wadsworth
Cummins	Keyes	Poinexter	Walsh, Mass.
Curtis	Ladd	Pomerene	Walsh, Mont.
Dial	La Follette	Ransdell	Warren
Edge	Lodge	Rawson	Watson
Fernald	McCumber	Reed, Mo.	Weller
Fletcher	McKellar	Reed, Pa.	Willis
France	McKinley	Sheppard	
Frelinghuysen	McLean	Shortridge	

Mr. FLETCHER. My colleague [Mr. TRAMMELL] is unavoidably absent. He is paired with the Senator from Rhode Island [Mr. COLT].

The VICE PRESIDENT. Seventy-five Senators have answered to their names. A quorum is present.

Mr. SIMMONS. Mr. President, on Friday last I lodged a motion, but did not offer it. I will not at present offer the motion which I then lodged. I move that the joint resolution be recommitted to the Committee on Finance.

The VICE PRESIDENT. The question is on the motion to recommit.

Mr. McNARY. Mr. President, I move to amend the motion made by the Senator from North Carolina by inserting that the joint resolution be recommitted to the Committee on Finance with instructions to report the same back to the Senate with all matter stricken therefrom except the amendment offered by the Senator from Idaho [Mr. BORAH] appropriating \$20,000,000 for reclamation purposes and the amendment offered by the Senator from Mississippi [Mr. HARRISON] providing for additional inspectors to carry out the railway inspection service.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Oregon.

Mr. SIMMONS. Upon the amendment to my motion I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. FLETCHER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state his inquiry.

Mr. FLETCHER. I take it that if the motion to recommit with instructions should not prevail, the question would then arise on the motion to recommit generally, without instructions.

The VICE PRESIDENT. That is correct. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. BROUSSARD (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. MOSES], who is absent. Not being able to secure a transfer, I withhold my vote.

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Nevada [Mr. ODDIE] and will vote. I vote "nay."

Mr. McCUMBER (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the senior Senator from Pennsylvania [Mr. PEPPER] and will vote. I vote "nay."

Mr. STANLEY (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. ERNST]. In his absence I withhold my vote.

Mr. SUTHERLAND (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON]. As he is absent, and I do not know how he would vote if present, I withhold my vote.

Mr. WATSON (when his name was called). My general pair with the senior Senator from Mississippi [Mr. WILLIAMS] I transfer to the junior Senator from West Virginia [Mr. ELKINS], and will vote. I vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce that if the Senator from New Hampshire [Mr. MOSES] were present, he would vote in the negative on this question.

I have been requested to announce the following general pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Illinois [Mr. McCORMICK] with the Senator from Wyoming [Mr. KENDRICK]; and

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL].

Mr. FLETCHER. My colleague [Mr. TRAMMELL] is necessarily absent. If present, he would vote "yea" on this question.

Mr. SWANSON. My colleague [Mr. GLASS] is necessarily absent. If present, he would vote "yea" on this question.

The result was announced—yeas 34, nays 38, as follows:

#### YEAS—34.

Ashurst	Harrison	Nicholson	Sheppard
Bayard	Heflin	Norris	Simmons
Borah	Hitchcock	Overman	Smith
Cameron	Jones, N. Mex.	Owen	Swanson
Caraway	Ladd	Pittman	Underwood
Culberson	La Follette	Poinexter	Walsh, Mass.
Fletcher	McKellar	Pomerene	Walsh, Mont.
George	McNary	Ransdell	
Harris	Myers	Reed, Mo.	

#### NAYS—38.

Ball	Frelinghuysen	McLean	Stanfield
Brandegee	Gooding	Nelson	Sterling
Calder	Hale	New	Townsend
Capper	Harrell	Page	Wadsworth
Cummins	Jones, Wash.	Philpps	Watson
Curtis	Kellogg	Rawson	Warren
Dial	Keyes	Reed, Pa.	Weller
Edge	Lodge	Shortridge	Willis
Fernald	McCumber	Smoot	
France	McKinley	Spencer	

#### NOT VOTING—23.

Broussard	Gerry	McCormick	Shields
Bursum	Glass	Moses	Stanley
Colt	Johnson	Norbeck	Sutherland
Dillingham	Kendrick	Oddie	Trammell
Elkins	King	Pepper	Williams
Ernst	Lenroot	Robinson	

So Mr. McNARY's amendment to Mr. SIMMONS's motion was rejected.

The VICE PRESIDENT. The question recurs on the motion made by the Senator from North Carolina [Mr. SIMMONS] to recommit the joint resolution to the Committee on Finance.

Mr. SIMMONS. Upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. BROUSSARD (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. MOSES]. On this question I am informed he would vote as I expect to vote, and therefore I shall vote. I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "nay."

Mr. SUTHERLAND (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON]. I understand that if he were present he would vote "yea" on the pending motion. I therefore feel at liberty to vote, and I vote "yea."

Mr. WATSON (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS], but he would vote as I expect to vote, I am informed, and therefore I vote "yea."

The roll call was concluded.

Mr. FLETCHER. I desire to announce that my colleague [Mr. TRAMMELL] is necessarily absent. If present, he would vote "yea" on this question.

Mr. SWANSON. My colleague [Mr. GLASS] is necessarily absent. If present, he would vote "yea" on this question.

Mr. CURTIS. I desire to announce the following general pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Illinois [Mr. McCORMICK] with the Senator from Wyoming [Mr. KENDRICK]; and

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL].

Mr. McNARY. I desire to announce that on this question the Senator from California [Mr. JOHNSON] is paired with the Senator from West Virginia [Mr. ELKINS]. If the Senator from California were present, he would vote "yea."

Mr. STANLEY. I transfer my pair with the junior Senator from Kentucky [Mr. ERNST] to the senior Senator from Arkansas [Mr. ROBINSON], and vote "yea."

The result was announced—yeas 42, nays 33, as follows:

#### YEAS—42.

Ashurst	Harrell	Myers	Simmons
Bayard	Harris	Nicholson	Smith
Broussard	Harrison	Norris	Stanley
Cameron	Heflin	Overman	Sutherland
Capper	Hitchcock	Owen	Swanson
Caraway	Jones, N. Mex.	Pittman	Underwood
Culberson	Jones, Wash.	Poinexter	Walsh, Mass.
Dial	Ladd	Pomerene	Walsh, Mont.
Fernald	La Follette	Ransdell	Watson
Fletcher	McKellar	Reed, Mo.	
George	McNary	Sheppard	



## NAYS—33.

Ball	Gooding	New	Sterling
Borah	Hale	Page	Townsend
Brandegge	Kellogg	Phipps	Wadsworth
Calder	Keyes	Rawson	Warren
Cummins	Lodge	Reed, Pa.	Weller
Curtis	McCumber	Shortridge	Willis
Edge	McKinley	Smoot	
France	McLean	Spencer	
Frelinghuysen	Nelson	Stanfield	

## NOT VOTING—20.

Barsum	Gerry	Lenroot	Pepper
Colt	Glass	McCormick	Robinson
Dillingham	Johnson	Moses	Shields
Elkins	Kendrick	Norbeck	Trammell
Ernst	King	Oddie	Williams

So the joint resolution was recommitted to the Committee on Finance.

Mr. CURTIS. I ask unanimous consent to have printed, in connection with the Liberian joint resolution loan, letters from two of the gentlemen referred to by the Senator from Mississippi [Mr. HARRISON] the other day, denying they had anything to do with the commission.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., November 27, 1922.

HON. CHARLES CURTIS,  
Senator, United States Senate,  
Washington, D. C.

DEAR SENATOR CURTIS: When the Liberian loan bill was up for consideration in the United States Senate on November 24 Senator PAT HARRISON, of Mississippi, made the charge that I was one of five persons who had a contract to obtain \$650,000 if the Liberian loan bill should pass the Senate.

I was amazed that such a statement should be made by the honorable Senator for the reason that it is absolutely without foundation in fact.

I had no connection with the matter, directly or indirectly. I was never approached by any person or persons seeking to enlist my services in the matter of furthering the interest of the bill. During the whole of the time that the Liberian commission was present in the United States no member thereof, in conversation with me, ever referred to the loan and no other person representing Liberia has ever approached me concerning the matter. I have never been promised one cent nor contracted to receive any fee or part of any commission in the event that the bill should be passed by the United States Senate.

I emphatically deny the charge made by the Senator and am sending this letter in order that you and other Senators may know that no promise has ever been made to me nor have I contracted nor sought to contract for the payment to me of any money in connection with the passage of the bill.

I have never spoken nor written to any Senator or Representative one word concerning or in behalf of the proposed bill.

In justice to truth, I would be glad if this denial could be made in the same forum where Senator HARRISON, relying upon misinformation received by him, made the charge on last Friday.

Yours with great respect,

WM. L. HOUSTON.

HOWARD UNIVERSITY,  
Washington, D. C., November 27, 1922.

HON. CHARLES CURTIS,  
United States Senate, Washington, D. C.

DEAR SENATOR CURTIS: On the floor of the United States Senate Friday, November 24, the junior Senator from Mississippi, Mr. PAT HARRISON, in the course of his remarks opposing the passage of the Liberian loan bill, said:

"It is pretty generally understood, I think, that certain persons have a contract with the Government of Liberia that in the event this loan is made they are to receive a fee or commission of \$650,000. It is not a secret that the five persons who have this contract with the Government of Liberia are members of the colored race. They have been very conspicuous around the corridors of the Capitol buttonholing Senators and using every influence in order to obtain the passage of this legislation."

In the further course of the Senator's statement naming the five persons he mentioned my name as one of the "five persons" who are to receive a fee or commission from the Liberian Government in case the Liberian loan bill is passed.

No matter by whom inspired, no matter through whom the information reached the Senator, I wish most emphatically to deny the truthfulness of these charges.

I have no claim against the Liberian Government.

I have no contract of any kind or character whatsoever with the Liberian Government, or with any agent or official of the Liberian Government.

I am to receive no fee of any character from the Liberian Government.

I have "buttonholed" no Senator nor have I sought to influence any Senator to secure the passage of this legislation.

I do, of course, favor the passage of the Liberian loan bill; I think most thoughtful colored Americans favor it. I hope a majority of the Senate Members will. Only a small coterie of colored politicians, upon whom the Senator doubtless depended for information in this matter, do not favor it. I shall not undertake to characterize their motives.

My interest in Liberia dates back to 1909, when I went to Liberia by appointment of President William H. Taft as a member of the American Commission to Liberia. It was through the efforts of this commission that Liberia's difficulties at that time were adjusted and its debts refunded.

My interest was also shown in 1918, when I was one of a group of persons who met President Wilson at the White House for a discussion of this Liberian credit, the meeting having been arranged by Maj. Robert R. Moton, the principal of Tuskegee Institute, Alabama, who enjoyed the confidence and good will of the former President. In this group at the time also were Dr. Thomas Jesse Jones, secretary of the Phelps-Stokes Fund, and Dr. James H. Dillard, president of the

John F. Slater and Anna T. Jeanes Funds, both white men of high character and devotion to the best interests of white and colored people alike.

Also, in 1919, when President-elect King, of Liberia, came to America, and again in 1921, when he came as President of the Republic of Liberia, I was personally requested by officials of the State Department to cooperate with them in working out plans for the entertainment of these guests of the United States. I did so.

For years I have been deeply interested in the welfare of Liberia. I have been actuated, however, solely by a genuine interest in the struggles of the little Republic on the West Coast of Africa. I have never at any time sustained to the Liberian Government or Liberian officials any relationship based upon contracts or understandings to the effect that I am to receive money from the Liberian Government.

It is therefore exceedingly unfair for the junior Senator from Mississippi to publicly make a statement manifestly intended to unfavorably reflect upon me when he could most easily have been directly and correctly informed as to the facts in the matter.

It is also most unfair to the junior Senator from Mississippi for him to have been made the dupe of certain negro politicians from his own State, who are seeking to feed personal grudges rather than to furnish the truth, and whose false representations have caused the Senator to make statements on the floor of the Senate which he, himself, confesses he is unable to prove.

Sincerely yours,

EMMETT J. SCOTT.

Mr. POMERENE. Mr. President, there were extensive hearings on the Liberian loan joint resolution before the House committee, and the print of those hearings has been exhausted. There is one very serious question which has come up in connection with the joint resolution, as to whether or not there is a moral obligation on the part of the Government of the United States to make the loan. I feel, at least, that it is necessary that I have an opportunity to read those hearings in order that I may be able to determine that question for myself, and I believe there are other Senators who feel similarly about it. So I suggest that those hearings be reprinted so that we can have the benefit of them before the joint resolution comes up again for further consideration.

Mr. CURTIS. I think the committee has full authority to have those hearings printed, and the request will be presented to the committee at the first meeting.

Mr. POMERENE. Very well.

## SUPPRESSION OF MOR VIOLENCE.

Mr. SHORTRIDGE. Mr. President, I move that the Senate proceed to the consideration of the bill (H. R. 13) to assure to persons within the jurisdiction of every State equal protection of the laws, and to punish the crime of lynching.

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state his inquiry.

Mr. HARRISON. The motion, of course, is debatable.

The VICE PRESIDENT. The Chair understands that the motion is debatable. The question is on the motion of the Senator from California.

Mr. MYERS. Mr. President, understanding that the motion is debatable, I desire to make some remarks upon the criticism that has been directed in this Chamber toward the distinguished visitor to this country, Monsieur Clemenceau.

Mr. BORAH. Will the Senator yield while I make a request for unanimous consent? I think it will take only a moment.

Mr. MYERS. I yield with pleasure for that purpose.

## LAND TITLES IN NEW MEXICO.

Mr. BORAH. A few days since I moved to have returned to the Senate from the House the bill (S. 3855) to ascertain and settle land claims of persons not Indians within Pueblo Indian land, land grants, and reservations in the State of New Mexico. That bill has now been returned, and I ask unanimous consent that the votes by which the bill was ordered to a third reading and passed be reconsidered.

Mr. SHORTRIDGE. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state his inquiry.

Mr. SHORTRIDGE. I made a motion, after having been recognized by the Chair, that the Senate take up and proceed immediately with the consideration of House bill 13.

The VICE PRESIDENT. That motion is before the Senate.

Mr. BORAH. This will not interfere with the Senator's motion. This is a request for unanimous consent. I do not desire to interfere with that bill.

Mr. SHORTRIDGE. I ask for a ruling from the Presiding Officer as to whether the matter now suggested by the Senator from Idaho will in any wise disturb my motion, which is before the Senate.

The VICE PRESIDENT. It will not, if the unanimous consent asked shall be given. The question is on the request for unanimous consent to reconsider the votes by which Senate bill 3855 was read the third time and passed. Is there objection? The Chair hears none, and the votes are reconsidered.

Mr. BORAH. I ask that the bill be referred back to the Committee on Public Lands and Surveys, which is the committee whence it came, I understand.



The VICE PRESIDENT. Without objection, it is so referred.

Mr. HARRISON. Mr. President—

The VICE PRESIDENT. The Senator from Montana has the floor.

Mr. HARRISON. Will the Senator from Montana yield?

Mr. MYERS. I yield.

Mr. HARRISON. Is it not in order now to move to take up another bill?

The VICE PRESIDENT. It is not. There is a motion pending to take up House bill No. 13.

#### VISIT OF M. CLEMENCEAU—FRANCE AND GERMANY.

Mr. MYERS. Mr. President, I desire at this time to make a few remarks upon the criticisms which have been directed in this Chamber toward our distinguished visitor in this country from France, M. Clemenceau. I do not intend to enter into any personal controversy between the distinguished Senator from Nebraska [Mr. HITCHCOCK] and our distinguished visitor, M. Clemenceau. I can not be satisfied, though, to let this occasion pass without uttering my dissent from the manner in which M. Clemenceau has been criticized and assailed from this Chamber. I can not let the opportunity pass by without some note of dissent being expressed on that criticism, and I emphatically dissent from it in a number of particulars. I would not be satisfied to let this day pass without some utterance in this Chamber in behalf of our distinguished visitor, M. Clemenceau, and the country from which he comes, France, even though it has to come from me and be expressed in my feeble way.

As I read the utterances of M. Clemenceau in this country up to the time that he was taunted by the Senator from Nebraska upon the fact that black troops are quartered by France upon German territory; until that time, as I read M. Clemenceau's utterances, the sum and substance of what he said was simply this: That we withdrew from Europe too soon; that we should have gone into the League of Nations and should be there now, taking part in the settlement of European affairs and the administration of justice in that section of the world. That is what it amounted to. He said we withdrew too soon. If we withdrew too soon, to which I assent, the only way we could have done it was by refusing to go into the League of Nations. We had no right to stay there after having failed to ratify the Versailles treaty and thereby enter into the League of Nations; and he said that we should be there now taking part in the settlement of European controversial affairs and seeing that justice is done there. The only way we could be there at this time engaged in that undertaking would be as a party to the Versailles treaty.

When M. Clemenceau says we withdrew from Europe too soon, that we should have gone into the League of Nations, and should now be in Europe taking part in affairs over there, I emphatically agree with him. I think he is right. I believe this country made the greatest mistake in its history when it refused to go into the League of Nations, and I believe it is every day becoming more and more apparent that it was a monumental mistake.

I voted to have the United States enter the League of Nations, both with and without reservations. I voted both ways—any way to get in. I think now that we should have gone in, either with or without reservations, one way or the other. I am still of the same opinion that I held when I registered my vote in favor of going into the League of Nations, either with or without reservations. I am amazed that a Senator who made so noble, gallant, and valiant a fight to have us go into the League of Nations as did the distinguished Senator from Nebraska [Mr. HITCHCOCK] should now assail M. Clemenceau for uttering the opinion to which I have referred. I can not understand it. It seems to me inconsistent, and I, for one, as one of the supporters of the League of Nations at that time and yet a supporter of it, wish to dissent from the criticism which was leveled at the utterances of M. Clemenceau.

M. Clemenceau said further that having withdrawn from Europe too soon we should now return there and take part in the settlement of European affairs, and in that statement I agree most emphatically. The only way we could return would be to apply to enter the League of Nations, and I am in favor of doing that. I am in hearty accord with M. Clemenceau when he expresses that sentiment. I see no hope at present of that being done. I can see no encouragement to hope that it will be done in the near future. Nevertheless, that is my opinion, and I shall continue to hold it.

M. Clemenceau said that Germany was preparing for another war, and in that utterance I believe he is eminently right and correct. I do not think there is any doubt about it. I

think there are many indications which prove it, and I think that France is justified in looking forward to that day and being prepared for it.

There is a good deal of criticism in this country, and some of it has been voiced on the floor of this Chamber, against France for maintaining a standing army of the size she now maintains. I contend that if we had gone into the League of Nations with all of our great power and prestige and were now a party to it, then if we had gone a step further, as President Wilson recommended and urged, and had become a party to a tripartite agreement between Great Britain, the United States, and France to resist any unjustified aggression upon France by Germany, then there would be no excuse for France maintaining an army of the size she now maintains. I believe undoubtedly that she would not in that event be maintaining it. There would then be no cause for it, no necessity for it, no justification for it. With the United States, with her great force and power and resources and prestige and commanding position, a party to the League of Nations, and with the tripartite agreement between Great Britain, the United States, and France, as urged by President Wilson, that all three should unitedly resist any unjustified aggression by Germany toward France, I do not suppose France would think of going to the expense of keeping up a standing army of the size that she now maintains. It is unreasonable to suppose she would.

Those things were intended to be a protection to France against aggression from Germany, but they were not done and, as M. Clemenceau said, I think we did not do our duty toward France and toward the nations of the world; we did not do our duty toward maintaining the peace of the world; and, having not done that, having not entered into the League of Nations, and having not entered into the tripartite agreement recommended by President Wilson, which I think, from the standpoint of France, was even more important than the League of Nations, and which I was quite as anxious to see entered into as I was to see us enter into the League of Nations, what is France to do besides prepare to protect herself from the day which inevitably must come and which I believe everybody thinks is coming when a rehabilitated and revived Germany will renew her age-long war against France and have France at her mercy? That is the reason, I have no doubt, why France maintains a standing army of the size of her present army. I believe she is justified in her fears, in her expectations, and in her preparation. If France does not help herself, she can not expect anybody else to help her.

I think that up to the time M. Clemenceau was taunted about the quartering of colored troops in Germany he was substantially right in what he said, and I am glad to have him come here and glad to have him say it. I welcome him to this country. I am not content to see him and his country, the historic friend of our country, assailed and to hear expressions of sympathy with Germany on the floor of the Senate without uttering my humble dissent therefrom. Nobody can wring out of me one particle of sympathy for Germany. I have no sympathy for Germany. It grieves me beyond expression to hear sympathy for Germany expressed on the floor of this Chamber and to hear France condemned. France has been our historic friend. If it had not been for France we might now be a subject province of Great Britain. It is not unlikely. At least it is safe to say that if France had not come to our rescue during the Revolutionary War that war would not have been successful; George Washington, John Adams, and John Hancock would doubtless have been hung as traitors and the day of deliverance of the Colonies of America from British subjugation must at least have been delayed for many years. If that revolution had been crushed—and I believe it would have been crushed had it not been for the friendly intervention of France—it would have been many years, and doubtless generations, before we, with our added growth and increase of population and power, could have worked up another revolution against Great Britain. It would have been many years before the spirit of the colonists would have been sufficiently revived to stage another revolution against the dominion of Great Britain. It is safe to say that had it not been for the friendship of France it would have been many years before the Colonies would have been free from British rule, and possibly would not now be free. We might to-day be British subjects, subject to taxation without representation, and that debt of gratitude to France can never be wiped out by the lapse of any length of time.

On the other hand, what did Germany do during the Revolutionary War? She sent her hired Hessian troops here to fight the struggling colonists in their uneven conflict with Great Britain. She sent her hired Hessian troops here to fight us, and they fought for blood money, for pay, to try to keep us



under the continued domination of Great Britain. France was our friend. France was the first nation in all the world to recognize the struggling Colonies in their revolution against Great Britain. France came to our succor at a time when the little handful of bleeding, starving, desperate colonial troops under George Washington were struggling against the heavy weight of the superior numbers of British soldiers. France made possible by that act our independence from Great Britain, and at the same time Germany was furnishing her hired Hessians for blood money to try to keep us under the British yoke. Those Hessians who came over here were not volunteers. They came at the behest and by the order of their Government. It was an official act of their Government which sent them here, and their Government was to get, and did get, the blood money which was paid for their coming over here to try to thwart the struggles of the colonists to free themselves from the dominion of Great Britain. There you have the records of the two countries, France and Germany.

So it has ever been. France has been the friend of this country. We have always maintained friendly relations with France. During the World War France threw herself across the bloody pathway of Germany and took a heroic part in the determined effort to keep Germany from conquering the world and destroying civilization, while Germany was engaged in sinking the *Lusitania* and various American vessels, contrary to the rules of international law, thus virtually waging war upon noncombatants of this country.

It saddens me to hear on the floor of this Chamber sympathy expressed with Germany and the German people and condemnation for France and the French people, whom M. Clemenceau comes here to represent. In any controversy between Germany and France my sympathies are wholly with France.

I am not, either, going to let the opportunity pass of expressing that sympathy when I hear France condemned on the floor of this Chamber, and hear her distinguished citizen, who is within our borders, assailed.

As to the charge which has been made that France is quartering negro troops on German soil, I do not see that that is any of our concern. We refused to go into the League of Nations, where we might have had a voice in all of those details. If we were now a member of that league, and thought that was wrong, which I do not, we would have had an opportunity of bringing attention to it, and uttering a dissent, if this country wished to do so. So far as I am concerned, I would not; but we refused to go into the League of Nations, and I can not see that it is any of our business now what troops France keeps quartered on German soil. That is an affair between Germany and France and with nations which are in the League of Nations, if they wish to take cognizance of it. I can not see that we have any right to take part in any quarrel now between Germany and France. I am certainly not going to countenance our taking part in it on the side of Germany. I can not see that we have any justification for dragging into this Chamber quarrels between France and Germany and virtually taking the part of Germany in those quarrels. I do not think we have any right to be heard in reference to any such matter.

So far as that is concerned, I do not see any great indignity in the action of France in keeping Algerian, Moroccan, or negro troops on German soil; at least I do not see anything in it to cause any indignation within my breast; it does not start any flame of indignation or resentment in my bosom. I do not feel called upon to rebuke it; and I do not believe anybody in this country has any cause to rebuke it.

It appears that there are about 400 negro troops quartered in Germany. Well, we have had negro companies and negro regiments quartered on the people of this country. We have quartered them on the Mexican border; we have had them stationed in Montana; we have had them stationed at various other places in this country. Are we to be more tender of the sensitive feelings of Germany than we are of those of our own people? Are we by our assent to say that it is all right to quarter colored troops in this country and yet that it is an unspeakable outrage to quarter them on Germany? Are we to hold the people of Germany in higher esteem and to give them greater consideration than we do the people of our own country?

I say that Germany is in no position to make a protest about colored troops being quartered on her soil, whether they be Moroccans, Algerians, or negro troops. In view of the shockingly fiendish, the unspeakable and almost unimaginable horrors and atrocities wantonly and continually perpetrated by German troops upon noncombatant men, women, and children in Belgium and France during the World War, atrocities which sicken the human heart when one reads about them, I say that Germany is in no position to whine and to whimper and play the baby act about 400 negro troops and some Moroccan and

Algerian troops being quartered on German territory. So far as I am concerned, I would have no objection if all the troops quartered on German soil by the Entente Allies were the blackest negroes from the jungles of Africa. Germany would not then be getting what she deserves. There is such a thing as just retribution and punishment. Germany willfully, deliberately, and premeditatedly brought on this world the greatest calamity that has occurred since the days of the flood; a calamity which resulted in the destruction of more life and caused more misery and more suffering than any other calamity since the days of the flood; and Germany deserves adequate punishment for that offense.

As to the question of whether or not the reparations which have been imposed upon Germany by the League of Nations are too great, I do not know that they are; I do not say that they are too great. They may be greater than it is practicable or workable to impose right now or to collect in the next few years, but Germany should be required to pay them if it may take the next hundred years to make her do so. If she has to work for the next hundred years and devote all of the profits of her labor to pay those reparations, she would not then pay what ought to be collected from her. Probably they can not be collected within the next few years, but every dollar of those reparations should be ultimately collected; and whether they are more than can be collected or not they are not nearly what Germany deserves to have to pay. I have no sympathy with her in her whining plea that her burden is greater than she can bear. She had time to think about that when she was plunging the world into a catastrophic maelstrom of death and destruction and was engaged in her fiendish work of ravaging, ravishing, burning, destroying, demolishing, in a mad frenzy of hate, in France and Belgium; when she was sinking the *Lusitania* and waging war on noncombatants of this country; when she was waging her devilish ruthless submarine warfare.

There are terms that should have been imposed upon Germany which have not been imposed upon her. Every dollar of the German Kaiser's fortune should be taken away from him by the Entente Allies; he should be stripped of every dollar that he has and rendered penniless and required to go out and work at hard manual labor the remainder of his life for the necessities of life. Every dollar of the fortune of Hugo Stinness should be taken away from him and applied to the reparations that are due France, Belgium, Great Britain, Italy, and other countries of the entente. The German Kaiser is marrying, making merry, eating, drinking, feasting, and dancing, while his victims writhe in torture or suffer the pangs of hunger and untold want. He is reputed to be one of the richest men in the world. I repeat that every dollar of his money should be taken away from him; he should be stripped of every penny of his fortune, and it should be applied to the reparations due France and other countries wronged by Germany and to the payment of damages to this country for the sinking of the *Lusitania* and various other indignities and losses inflicted unlawfully upon our people by Germany. Every dollar of the fortunes of the sons-in-law and relatives of the entire royal family of Germany should be taken away from them and they should all be applied to indemnities. Until that is done there will not be justice meted out. Every dollar owned by the war lords of Germany should be taken away from them and applied to reparations. While the terms imposed upon Germany may not be workable for the present, I think, if she can not pay now those terms should be held over her and she should be required to pay them in time, if it takes her a hundred years in which to do so.

No, Mr. President, I have no manner of sympathy with Germany, and I have no sympathy with the criticism which has been leveled against M. Clemenceau's remarks in this country to the effect that the United States should be in Europe to-day in the League of Nations, taking part in the settlement of affairs over there, and to the effect that Germany is preparing to wage another war on France.

I do not think there is any manner of doubt that Germany is preparing to wage another war on France. I think that her children are being taught now that when they grow up their highest and first duty will be to renew the war of extermination upon their ancient and hated enemy, the people of France. They are being "fed up" on it and educated on it. Everything goes to indicate that to be the intention, and, if this country remains out of the League of Nations and remains out of the tripartite agreement which President Wilson urged us to enter into for the protection of France, I do not believe it will be 20 years until Germany renews her war with France. I think Germany is hoping that we will stay out of the League of Nations and out of the proposed tripartite agreement and



out of European affairs, in order that she may be all the more free to renew the war against France. If we were in the League of Nations and in the tripartite agreement which President Wilson recommended, I do not believe there would be any danger of Germany renewing the war against France for an untold length of time, for the next hundred years, or so long as those arrangements might last. But we are not in the League of Nations; we are not in any tripartite agreement with France and Great Britain, and I think that gives Germany hope in her preparations to wage the next war against France.

When she shall again declare war against France—and I am satisfied she will—I think she will be very careful to try not to draw us into it and to avoid treading upon our rights or giving any offense to this country, in order that she may exterminate France. I believe Germany realizes that she made a mistake in her ruthless submarine warfare on the merchant vessels of peaceful nations. I believe she realizes if she had not done that and had not drawn us into the World War the Central Powers would have won the war. I do not think there is any doubt that they would, and I think that Germany believes that, had it not been for the United States, she would at this time have the people of Europe under her feet, and, probably, having conquered and subjugated them, would next turn her guns upon the United States and hope to subjugate this Nation, and then realize her dreams for the subjugation of the world. I think she is preparing to avoid that mistake this time, preparing slyly, craftily, and in an underhand way.

As to the plea about France's quartering 400 negro troops and some Moroccan and Algerian troops on German soil, and as to the alleged facts, the reported facts, which the Senator from Nebraska read about keeping brothels there for the benefit of those troops, that is not so bad as was the action of the German soldiers in forcibly raping young women and married women in France and Belgium by wholesale during the war; capturing and carrying around with them as captives companies of Belgian and French young women for the purpose of being forced to submit further to their carnal desires and fiendishness. I say it is not so bad as the atrocities which the German troops perpetrated upon their helpless victims during the war.

Yes; I suppose it is too bad that black troops should be quartered upon such refined, cultured, esthetic people as are the German people; people who were so refined during the war with France and Belgium; whose troops grabbed infants a few weeks or a few months old out of the arms of their mothers in France and Belgium, and dashed out their brains on stone pavements before the eyes of their agonized mothers; who had no scruples in picking up little French and Belgian babies on their bayonets, and walking away singing "Deutschland Uber Alles" to the rhythmic motion of French and Belgian babies twirling around on their bayonets; who had no scruples about ravishing French and Belgian matrons and young women, and cutting out their breasts and throwing them on the ground, and imparting to them venereal diseases; all of which things have been incontrovertibly established.

I think the Senator from Nebraska should read Dr. Newell Dwight Hillis's book about German atrocities practiced in France and Belgium during the war. Doctor Hillis—one of the most noted divines of this country, a man of the highest standing and unquestioned honor—went over to Europe immediately after the armistice and personally investigated the charges of fiendish atrocities, unsurpassed by the atrocities practiced by the aboriginal American Indians upon their victims, reported to have been practiced by German soldiers upon helpless non-combatant old men, women, and children of France and Belgium during the war. Doctor Hillis spent months over there in investigating those charges, and returned to this country and wrote a book in which the commission of those atrocities in all of their horrible details was established by affidavits, records, indisputable evidence, beyond all controversy. And yet it is too bad that the esthetic and refined feelings of the people of Germany are to be offended by having 400 negro troops and some Moroccan and Algerian troops quartered upon their soil until they comply in some measure with the penalties and payment of reparations adjudged against them by the Entente Allies.

I do not want to see Germany destroyed. I want to see Germany have the privilege of working and manufacturing and producing and exporting and importing and engaging in commerce with all the world. I want to see her people make money, and then I want to see it taken away from them and applied upon the reparations due France and Belgium. I want the people of Germany to be earning; I want them to have the privilege of earning, and then I want to see the money they earn taken and applied where by all right and justice it should go for many, many years to come. I do not want to see Ger-

many destroyed. I want to see Germany become normal, and produce to its full capacity, and resume business with the world, and I believe in giving her a chance to do it; but, at the same time, I believe that Germany should be made to the uttermost measure possible to comply with the terms adjudged against her by the Entente Allies, and made pay at least a small part of what is due from her to France, Belgium, Great Britain, and other countries of the Entente.

I want to see that done, and I do not want to see any obstacles thrown in the pathway of it; but I do not want to hear, without one word of protest from this body, the great statesman from France, M. Clemenceau, assailed and criticized for coming over here and saying that we should now be in the League of Nations, and should now be taking part in the settlement of European affairs, and helping bring about peace and a settled condition of affairs over there. I believe M. Clemenceau has a right to come over here; and except as to his controversy with the Senator from Nebraska [Mr. Hitchcock] about quartering colored troops in Germany, in which he became somewhat personal, I in the main subscribe to what M. Clemenceau has said over here. I think we should welcome him and do him honor as a representative of a great nation, instead of criticizing and assailing him.

I believe that M. Clemenceau is within his rights, and I am sorry to hear condemnation of him and sorry to see in reply anything like sympathy with Germany expressed in this country, and especially on the floor of this Chamber.

I have very high regard for the esteemed Senator from Nebraska [Mr. Hitchcock]. I regret very much that this body is not much longer to have the benefit of his great ability and talents. I was disappointed beyond my powers to express my feelings when I learned that he was not much longer to remain in this body. He has been of great service here. I have high regard for his ability as well as for him. He made a noble, splendid, valiant fight on the floor of this Chamber to have the Versailles treaty ratified and to have the United States enter the League of Nations. He rendered invaluable service to the people of this country in his labors to have enacted the existing Federal banking and currency law, one of the best laws that has been enacted in this country in all of its history, in my opinion, and I believe the best banking and currency law that exists in the world. In my opinion, much of the credit for that law is due to the distinguished Senator from Nebraska, along with other able and eminent Members, both Democratic and Republican, of the Senate Committee on Banking and Currency. In many ways the Senator from Nebraska has been of great service to the people of this country and I am loath to see him leave this body; but it does seem to me that it is inconsistent in him now to assail M. Clemenceau for saying that we should be in the League of Nations and should be taking our due part in settling the affairs of Europe, and for his expression of hope, in effect, that we will yet enter the League of Nations and take part in seeing justice done in Europe. It seems to me that it is unfair and unjust; and I have taken this occasion to express in my feeble way my dissent from it and to utter in my humble way a few words in behalf of our distinguished visitor, M. Clemenceau, and the people of the country from which he comes.

Mr. OVERMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. REED of Pennsylvania in the chair). The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ball	Gooding	New	Stanley
Bayard	Hale	Nicholson	Sterling
Brandegee	Harris	Norris	Sutherland
Broussard	Harrison	Overman	Swanson
Calder	Heflin	Owen	Townsend
Cameron	Jones, N. Mex.	Page	Underwood
Capper	Kellogg	Pittman	Wadsworth
Caraway	Keyes	Pomerene	Walsh, Mass.
Curtis	Ladd	Reed, Mo.	Walsh, Mont.
Dial	La Follette	Reed, Pa.	Warren
Edge	Lodge	Sheppard	Watson
Fernald	McCumber	Shortridge	Weller
Fletcher	McKellar	Simmons	Willis
France	McKinley	Smith	
Frelinghuysen	McNary	Smoot	
George	Myers	Spencer	

The PRESIDING OFFICER. Sixty-one Senators have answered to their names. A quorum is present.

Mr. DIAL. I ask unanimous consent to call up an uncontested bill. It will not provoke any debate.

Mr. SMOOT. I will object at this time.

#### CLEMENCEAU AND FRENCH POLICY.

Mr. OWEN. Mr. President, M. Clemenceau is a greatly honored former Premier of France. He comes evidently with the approval of the French Government and with world-wide pub-



licity announcing his coming. He has arrived in New York and been received with great cordiality by citizens of the United States on a mission of importance.

He comes making an appeal to America. He thinks we left Europe without sufficient cause and that we left too soon. He desires the American Government, with the backing of the American people, to take part in restoring distracted Europe, and says that he does not know what he wants us to do, but he wants our help, and he wants it at once, and he thinks we may have an armchair at Lausanne if we ask for a seat at that conference.

It seems worth while to submit an observation upon this visit of M. Clemenceau and to call his attention and the attention of the French people and of the people of Europe to what I believe to be the principal causes of the present disturbed condition of Europe and the only practical remedies by which their prosperity can be promptly restored.

The visit of M. Clemenceau may be of great value if it shall lead to the discussion of these matters frankly, honestly, and fearlessly.

We keenly and deeply sympathize with the French people, with their great sufferings. We have deplored the wanton invasion of France by the German military dynasty in 1871 and the more cruel invasion by the same forces in 1914.

We know how cruelly they have suffered from the German invasion. We have walked over many places in the devastated areas. We have seen the ruined cities and villages and are very sympathetic with them in promoting their future security, peace, and prosperity, and if mistakes in judgment are made by leaders of French opinion it should be remembered that similar mistakes are made by other leaders of all the nations of the earth and that such mistakes should be considered with patience and moderation. The French people, like the people of other nations, should not be made responsible for the error of their leadership if there be error, as we think there has been, and Clemenceau's visit will help to clear the atmosphere because now we can discuss these questions more serenely than when the differences occurred.

We make a wide distinction between the German people and the military dynasty which governed the German people regardless of the consent of the governed. We do not mean by this that there was any open revolt of the German people against this overwhelming, dominating, governing power, because there was little or none, but we can not help but think of the utterly helpless attitude of the young men of Germany when they were called to the colors by the order of mobilization of Wilhelm II.

A young German had his option of responding to this call promptly, efficiently, faithfully, or facing a German court-martial and a firing squad. A German boy had no option except to come, and when he came he had his choice of coming singing or weeping. He chose to sing and to come and do his utmost to win a victory under the German flag which he had been taught to love and to revere as the badge of a happy, honorable fatherland. He answered the voice of patriotism; he followed the only leadership he knew, and with infinite pathos went to his young death. Seven millions of the German youth fell in battle, and the Imperial Government finally met with a crushing defeat at the hands of those who loved justice and liberty throughout the world.

With the young soldiers of other lands—of France, of Britain, of Italy—it was the same. The Fatherland called; they came, they fought, they died for what they believed to be their duty to Fatherland.

Clemenceau senses correctly that American opinion has been slowly growing to be unsympathetic with the leadership of France. There is a profound cause for it which ought to be explained to the French people. For this reason these observations are submitted to the public records in order that French leaders may realize why the United States has withdrawn from Europe and does not wish to return until the European leaders exhibit a heartfelt respect for the opinions of America.

The American opinion was expressed in the address of the President of the United States of April 2, 1917, when he advised the Congress of the United States that the time had arrived to enter the World War. This address to the Congress of the United States was the culmination of German aggression and of conferences which had taken place between the representatives of the Entente Allies and the authorities of the United States and the principles for which we entered this war were then acquiesced in and applauded by the leaders of the Entente Allies and they are bound morally and ethically and under the principle of right to support these doctrines upon which we entered the war in cooperation with them, they declaring at the same time that they were moved by the same principles.

What were these principles, Mr. President? Woodrow Wilson stated them in his message of April 2, 1917, when he said (CONGRESSIONAL RECORD, vol. 55, p. 103):

Our object now, as then, is to vindicate the principles of peace and justice in the life of the world as against selfishness and autocratic power and to set up amongst the really free and self-governing people of the world such a concert of purpose and of action as will henceforth assure the observance of these principles \* \* \*

We are at the beginning of an age in which it will be insisted that the same standards of conduct and of responsibility for wrong done shall be observed among nations and their governments that are observed among the individual citizens of several states.

We have no quarrel with the German people. We have no feeling toward them but one of sympathy and friendship. It was not upon their impulse that their Government acted in entering this war. It was not with their previous knowledge or approval. It was a war determined upon as wars used to be determined upon in the old, unhappy days when peoples were nowhere considered by their rulers and wars were provoked and waged in the interest of dynasties or of little groups of ambitious men who were accustomed to use their fellow men as pawns and tools.

Woodrow Wilson pointed out the impossibility of friendship with the Prussian autocracy, its secret methods, its spies, its intrigues, its ambitions and greedy purposes, and he said:

We are accepting this challenge of hostile purpose because we know that in such a Government, following such methods, we can never have a friend; and that in the presence of its organized power, always lying in wait to accomplish we know not what purpose, there can be no assured security for the democratic governments of the world. We are now about to accept gauge of battle with this natural foe to liberty and shall, if necessary, spend the whole force of the Nation to check and nullify its pretensions and its power. We are glad now that we see the facts with no veil of false pretense about them, to fight thus for the ultimate peace of the world and for the liberation of its peoples, the German peoples included; for the rights of nations, great and small, and the privilege of men everywhere to choose their way of life and of obedience. The world must be made safe for democracy. Its peace must be planted upon the tested foundations of political liberty. We have no selfish ends to serve. We desire no conquests, no dominion. We seek no indemnities for ourselves, no material compensation for the sacrifices we shall freely make. We are but one of the champions of the rights of mankind. We shall be satisfied when those rights have been made as secure as the faith and the freedom of nations can make them.

We spent \$40,000,000,000 and we asked no indemnities whatever. We asked no territory. We lost tens of thousands of our best beloved youth to establish these principles, and we only asked justice for all peoples, Germans as well as French, Turks as well as British. We have been disappointed.

We are not content to see them disregarded by the Entente Allies in any respect. We had a right and we have a right now to expect and to demand recognition of these broad principles of justice as a condition of the further cooperation which Clemenceau now desires.

There should never be forgotten the conditions upon which the armistice of November 11, 1918, was sought and obtained. These conditions represented the views of the Government of the United States, voiced by the President of the United States, not only with the approval of the American people and of Congress but approved by the British Government and the French Government and the Entente Allies. These conditions were transmitted to the German Government and the German people through the Swiss minister by Robert Lansing, the Secretary of State of the United States, on the 5th of November, 1918, which I ask to have printed in the Record in 8-point type.

There being no objection, the matter was ordered to be printed in the Record in 8-point type, as follows:

"Sir: I have the honor to request you to transmit the following communication to the German Government:

"In my note of October 23, 1918, I advised you that the President had transmitted his correspondence with the German authorities to the Governments with which the Government of the United States is associated as a belligerent, with the suggestion that, if those Governments were disposed to effect peace upon the terms and principles indicated, their military advisers and the military advisers of the United States be asked to submit to the Governments associated against Germany the necessary terms of such armistice as would fully protect the interests of the peoples involved and insure to the associated Governments the unrestricted power to safeguard and enforce the details of the peace to which the German Government had agreed, provided they deemed such an armistice possible from the military point of view.

"The President is now in receipt of a memorandum of observations by the allied Governments on this correspondence, which is as follows:

"The allied Governments have given careful consideration to the correspondence which has passed between the President of the United States and the German Government. Subject to the qualifications which follow, they declare their willingness to make peace with the Government of Germany on the terms of peace laid down in the President's address to Congress of January, 1918, and the principles of settlement enunciated in



his subsequent addresses. They must point out, however, that clause 2, relating to what is usually described as the freedom of the seas, is open to various interpretations, some of which they could not accept. They must, therefore, reserve to themselves complete freedom on this subject when they enter the peace conference.

"Further, in the conditions of peace laid down in his address to Congress of January 8, 1918, the President declared that invaded territories must be restored as well as evacuated and freed, and the allied Governments feel that no doubt ought to be allowed to exist as to what this provision implies. By it they understand that compensation will be made by Germany for all damage done to the civilian population of the Allies and their property by the aggression of Germany by land, by sea, and from the air."

Mr. OWEN. The allied Governments gave careful consideration to this correspondence between the President and the German Government, and they declared to the President of the United States that they were willing to make peace with the Government of Germany on the terms of the peace laid down in the President's address to Congress of January 8, 1918, and the principles of settlement enunciated in his subsequent addresses. Some of the 14 points and principles they did carry out, but in many instances and in details they failed to carry them out and pursued a contrary policy, a policy calculated to injure the German people commercially and financially, and violated the agreement to permit Germany to have "a place of equality among the peoples of the world."

It was this address of the President of the United States of January 8, 1918, and the 14 points which appealed to the German people as people, and we took infinite pains to have this address of the President of the United States scattered by airplanes behind the German lines and to give for it publicity among the German people, and these German people had a right to rely, not only upon the good faith of the United States Government and the good faith of the people of the United States, but they had a right to rely upon the good faith of the Governments of the Entente Allies and of the people of the Entente Allies to carry out the principles upon which the armistice was based.

The German Government and the German people accepted these conditions and laid down their arms. It became a binding contract of honor made upon the battle field, binding France and the Entente Allies and Germany alike. A failure to carry out the terms of the contract has been followed by evil consequence.

The President's address to Congress of January 8 is of such importance in construing this agreement on the part of the United States and the Entente Allies with the German Government that I think it is proper to present it again, and I ask to have it printed in the *Record* in 8-point type.

There being no objection, the matter was ordered to be printed in the *Record* in 8-point type, as follows:

PRESIDENT WILSON'S ADDRESS TO CONGRESS, JANUARY 8, 1918.

"Gentlemen of the Congress, once more, as repeatedly before, the spokesmen of the Central Empires have indicated their desire to discuss the objects of the war and the possible bases of a general peace. Parleys have been in progress at Brest-Litovsk between Russian representatives and representatives of the Central Powers, to which the attention of all the belligerents has been invited for the purpose of ascertaining whether it may be possible to extend these parleys into a general conference with regard to terms of peace and settlement. The Russian representatives presented not only a perfectly definite statement of the principles upon which they would be willing to conclude peace, but also an equally definite program of the concrete application of those principles. The representatives of the Central Powers, on their part, presented an outline of settlement which, if much less definite, seemed susceptible of liberal interpretation until their specific program of practical terms was added. That program proposed no concessions at all, either to the sovereignty of Russia or to the preferences of the populations with whose fortunes it dealt, but meant, in a word, that the Central Empires were to keep every foot of territory their armed forces had occupied—every Province, every city, every point of vantage—as a permanent addition to their territories and their power. It is a reasonable conjecture that the general principles of settlement which they at first suggested originated with the more liberal statesmen of Germany and Austria, the men who have begun to feel the force of their own peoples' thought and purpose, while the concrete terms of actual settlement came from the military leaders, who have no thought but to keep what they have got. The negotiations have been broken off. The Russian

representatives were sincere and in earnest. They can not entertain such proposals of conquest and domination.

"The whole incident is full of significance. It is also full of perplexity. With whom are the Russian representatives dealing? For whom are the representatives of the Central Empires speaking? Are they speaking for the majorities of their respective parliaments or for the minority parties, that military and imperialistic minority which has so far dominated their whole policy and controlled the affairs of Turkey and of the Balkan States which have felt obliged to become their associates in the war? The Russian representatives have insisted, very justly, very wisely, and in the true spirit of modern democracy, that the conferences they have been holding with the Teutonic and Turkish statesmen should be held within open, not closed, doors, and all the world has been audience, as was desired. To whom have we been listening, then? To those who speak the spirit and intention of the resolutions of the German Reichstag of the 9th of July last, the spirit and intention of the liberal leaders and parties of Germany, or to those who resist and defy that spirit and intention and insist upon conquest and subjugation? Or are we listening, in fact, to both, unreconciled and in open and hopeless contradiction? These are very serious and pregnant questions. Upon the answer to them depends the peace of the world.

"But, whatever the results of the parleys at Brest-Litovsk, whatever the confusions of counsel and of purpose in the utterances of the spokesmen of the Central Empires, they have again attempted to acquaint the world with their objects in the war and have again challenged their adversaries to say what their objects are and what sort of settlement they would deem just and satisfactory. There is no good reason why that challenge should not be responded to, and responded to with the utmost candor. We did not wait for it. Not once, but again and again, we have laid our whole thought and purpose before the world, not in general terms only, but each time with sufficient definition to make it clear what sort of definitive terms of settlement must necessarily spring out of them. Within the last week Mr. Lloyd-George has spoken with admirable candor and in admirable spirit for the people and Government of Great Britain. There is no confusion of counsel among the adversaries of the Central Powers, no uncertainty of principle, no vagueness of detail. The only secrecy of counsel, the only lack of fearless frankness, the only failure to make definite statement of the objects of the war, lies with Germany and her allies. The issues of life and death hang upon these definitions. No statesman who has the least conception of his responsibility ought for a moment to permit himself to continue this tragical and appalling outpouring of blood and treasure unless he is sure beyond a peradventure that the objects of the vital sacrifice are part and parcel of the very life of society, and that the people for whom he speaks think them right and imperative as he does.

"There is, moreover, a voice calling for these definitions of principle and of purpose which is, it seems to me, more thrilling and more compelling than any of the many moving voices with which the troubled air of the world is filled. It is the voice of the Russian people. They are prostrate and all but helpless, it would seem, before the grim power of Germany, which has hitherto known no relenting and no pity. Their power, apparently, is shattered. And yet their soul is not subservient. They will not yield either in principle or in action. Their conception of what is right, of what is humane and honorable for them to accept, has been stated with a frankness, a largeness of view, a generosity of spirit, and a universal human sympathy which must challenge the admiration of every friend of mankind; and they have refused to compound their ideals or desert others that they themselves may be safe. They call to us to say what it is that we desire, in what, if in anything, our purpose and our spirit differ from theirs; and I believe that the people of the United States would wish me to respond with utter simplicity and frankness. Whether their present leaders believe it or not, it is our heartfelt desire and hope that some way may be opened whereby we may be privileged to assist the people of Russia to attain their utmost hope of liberty and ordered peace.

"It will be our wish and purpose that the processes of peace, when they are begun, shall be absolutely open and that they shall involve and permit henceforth no secret understandings of any kind. The day of conquest and aggrandizement is gone by; so is also the day of secret covenants entered into in the interest of particular governments and likely at some unlooked-for moment to upset the peace of the world. It is this happy fact, now clear to the view of every public man whose thoughts do not still linger in an age that is dead and gone, which makes



it possible for every nation whose purposes are consistent with justice and the peace of the world to avow now or at any other time the objects it has in view.

"We entered this war because violations of right had occurred which touched us to the quick and made the life of our own people impossible unless they were corrected and the world secured once for all against their recurrence. What we demand in this war, therefore, is nothing peculiar to ourselves. It is that the world be made fit and safe to live in; and particularly that it be made safe for every peace-loving nation which, like our own, wishes to live its own life, determine its own institutions, be assured of justice and fair dealing by the other peoples of the world as against force and selfish aggression. All the peoples of the world are in effect partners in this interest, and for our own part we see very clearly that unless justice be done to others it will not be done to us. The program of the world's peace, therefore, is our program; and that program, the only possible program, as we see it, is this:

"I. Open covenants of peace, openly arrived at, after which there shall be no private international understandings of any kind, but diplomacy shall proceed always frankly and in the public view.

"II. Absolute freedom of navigation upon the seas, outside territorial waters, alike in peace and in war, except as the seas may be closed in whole or in part by international action for the enforcement of international covenants.

"III. The removal, so far as possible, of all economic barriers and the establishment of an equality of trade conditions among all the nations consenting to the peace and associating themselves for its maintenance.

"IV. Adequate guaranties given and taken that national armaments will be reduced to the lowest point consistent with domestic needs.

"V. A free, open-minded, and absolutely impartial adjustment of all colonial claims, based upon a strict observance of the principle that in determining all such questions of sovereignty the interests of the populations concerned must have equal weight with the equitable claims of the Government whose title is to be determined.

"VI. The evacuation of all Russian territory and such a settlement of all questions affecting Russia as will secure the best and freest cooperation of the other nations of the world in obtaining for her an unhampered and unembarrassed opportunity for the independent determination of her own political development and national policy and assure her of a sincere welcome into the society of free nations under institutions of her own choosing; and, more than a welcome, assistance also of every kind that she may need and may herself desire. The treatment accorded Russia by her sister nations in the months to come will be the acid test of their good will, of their comprehension of her needs as distinguished from their own interests, and of their intelligent and unselfish sympathy.

"VII. Belgium, the whole world will agree, must be evacuated and restored, without any attempt to limit the sovereignty which she enjoys in common with all other free nations. No other single act will serve as this will serve to restore confidence among the nations in the laws which they have themselves set and determined for the government of their relations with one another. Without this healing act the whole structure and validity of international law is forever impaired.

"VIII. All French territory should be freed and the invaded portions restored, and the wrong done to France by Prussia in 1871 in the matter of Alsace-Lorraine, which has unsettled the peace of the world for nearly 50 years, should be righted, in order that peace may once more be made secure in the interest of all.

"IX. A readjustment of the frontiers of Italy should be effected along clearly recognizable lines of nationality.

"X. The peoples of Austria-Hungary, whose place among the nations we wish to see safeguarded and assured, should be accorded the freest opportunity of autonomous development.

"XI. Rumania, Serbia, and Montenegro should be evacuated; occupied territories restored; Serbia accorded free and secure access to the sea; and the relations of the several Balkan states to one another determined by friendly counsel along historically established lines of allegiance and nationality; and international guaranties of the political and economic independence and territorial integrity of the several Balkan states should be entered into.

"XII. The Turkish portions of the present Ottoman Empire should be assured a secure sovereignty, but the other nationalities which are now under Turkish rule should be assured an undoubted security of life and an absolutely unmolested opportunity of autonomous development, and the Dardanelles should be permanently opened as a free passage to the ships and commerce of all nations under international guaranties.

"XIII. An independent Polish State should be erected which should include the territories inhabited by indisputably Polish populations, which should be assured a free and secure access to the sea, and whose political and economic independence and territorial integrity should be guaranteed by international covenant.

"XIV. A general association of nations must be formed under specific covenants for the purpose of affording mutual guaranties of political independence and territorial integrity to great and small States alike.

"In regard to these essential rectifications of wrong and assertions of right we feel ourselves to be intimate partners of all the governments and peoples associated together against the imperialists. We can not be separate in interest or divided in purpose. We stand together until the end.

"For such arrangements and covenants we are willing to fight and to continue to fight until they are achieved; but only because we wish the right to prevail and desire a just and stable peace such as can be secured only by removing the chief provocations to war, which this program does remove. We have no jealousy of German greatness, and there is nothing in this program that impairs it. We grudge her no achievement or distinction of learning or of pacific enterprise such as have made her record very bright and very enviable. We do not wish to injure her or to block in any way her legitimate influence or power. We do not wish to fight her either with arms or with hostile arrangements of trade if she is willing to associate herself with us and the other peace-loving nations of the world in covenants of justice and law and fair dealing. We wish her only to accept a place of equality among the peoples of the world—the new world in which we now live—instead of a place of mastery.

"Neither do we presume to suggest to her any alteration or modification of her institutions. But it is necessary, we must frankly say, and necessary as a preliminary to any intelligent dealings with her on our part, that we should know whom her spokesmen speak for when they speak to us, whether for the Reichstag majority or for the military party and the men whose creed is imperial domination.

"We have spoken now, surely, in terms too concrete to admit of any further doubt or question. An evident principle runs through the whole program I have outlined. It is the principle of justice to all peoples and nationalities, and their right to live on equal terms of liberty and safety with one another, whether they be strong or weak. Unless this principle be made its foundation, no part of the structure of international justice can stand. The people of the United States could act upon no other principle; and to the vindication of this principle they are ready to devote their lives, their honor, and everything that they possess. The moral climax of this the culminating and final war for human liberty has come, and they are ready to put their own strength, their own highest purpose, their own integrity and devotion to the test."

Mr. OWEN. By every principle of common honesty the United States and the Entente Allies were bound by the 14 points, which were not carried out in good faith. Clemenceau himself was quoted as deriding the 14 points after the fruits of this gigantic declaration of principle had been obtained through the armistice and the German Government had surrendered and was disarmed.

After the Germans were disarmed, Clemenceau was quoted in the public press as saying that "Moses only laid down Ten Commandments and Woodrow Wilson laid down 14 commandments." How witty and merry. How thoughtless and destructive. Moses led the Children of Israel out of the wilderness with the Ten Commandments, and the American people would have led the children of Europe out of the wilderness with the 14 points if leaders like Clemenceau, Lloyd-George, and others had, in perfect good faith, carried out these principles and covenants on which the surrender of the Germans was obtained.

But the Entente leaders have not carried them out. They wrote a treaty of victory and imposed conditions some of which are now believed to be impossible of fulfillment, and others which contain the seeds of future war and which were and are in flat violation of various of these pledges of the 14 points.

It is not necessary to regard Clemenceau and Lloyd-George as being willfully unfaithful because of this breach of faith in carrying out the 14 points. They are merely human beings, with human frailty, controlled by their environment, representing the leaders behind them and voicing the language of the old diplomacy of Europe, the diplomacy of strategic boundaries, of brute force, and of commercial advantages on land and sea. Blind leaders of the blind, piling up disaster and war from their failure to recognize the fundamental principles of justice between nations, every one of whom is equally entitled to life, liberty, the pursuit of happiness, the right to manage its own



affairs in its own way, and the right to international understanding and good will and the means to make these rights effective.

We have no sympathy with the abuse of the German people, the Russian people, the Turkish people by Clemenceau any more than of the British or French people by the Germans.

The 14 points represented the new order of reliance on justice and international good will rather than the old order, a reliance alone upon brute force.

The group behind Clemenceau put their faith in brute force, and therefore at Paris and Versailles they carried on a vigorous, strenuous campaign for the purpose of building up material forces which would strengthen France and weaken Germany, regardless of the principles of justice, in carrying out the 14 points to which they were so solemnly pledged.

Against these gigantic forces of self-interest moving the leadership of the Entente Allies in so large a measure Woodrow Wilson stood isolated and alone at Paris, the most pathetic, the most tragic figure the world has ever seen in the most gigantic crisis of all time. Woodrow Wilson went as the advocate of principles of international good will and understanding and justice and righteousness and self-government among men. He not only had to meet these great forces of the old order at Paris and Versailles, but even in this gigantic struggle in which he was engaged—and which has been so graphically portrayed by Ray Stannard Baker in his recent volumes of Woodrow Wilson and the World Settlement—Woodrow Wilson failed to receive the support from his own country which might have made it possible for him to have fully established the new order in writing this treaty. His failure was not due to his lack of effort, for his efforts brought him even at Paris to the point of physical collapse. At Paris his hands were weakened by attacks from America.

In order to hold up the hands of the President in his great struggle for justice on earth I offered the following Senate Concurrent Resolution No. 17, which, without reading, I ask to have printed in the Record in S-point type as an appendix.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. OWEN. The Senate and the House of Representatives acquiesced in the address of the President of January 8, 1918, with "prolonged applause."

Clemenceau and Lloyd-George and the Entente leadership wrote the treaty of Versailles, ignoring some of the important principles of the 14 points. They broke faith with the world and occupy in America the attitude now of asking America to come to Europe again to relieve them of the results of their own unwise conduct.

What do they want of America? We have a right to know.

Clemenceau and Lloyd-George wrote the treaty of Versailles in such form and of such substance that it did not secure ratification by the Senate of the United States. The concessions which they wrongfully extorted from Woodrow Wilson brought on a violent attack on the treaty itself in America, and American leaders asked themselves, Are we to pledge the powers of America to carry out this treaty of greed and fear and force framed in contravention of the 14 points, in contravention of the principles in which America believes? Are we to be made the instruments by which the wrongs done the conquered peoples shall be made permanent and effective?

No, Mr. President; Clemenceau, or rather the powers behind Clemenceau, have made a bed of thorns for themselves, and the end is not yet.

Mr. President, we are more than anxious that America and the American people, both for their own sakes and for the sake of the people of Europe, should do everything in their power to restore the European people to a condition of perfect peace and happiness, but America can not make wrong right. America can not be of great service to Europe until the statesmen of Europe are willing to recognize the fundamental principles upon which the peace and welfare of the people of the world must be founded. The evil consequences which have been brought upon Europe are largely due to the obsession of fear of the French people which was used by the French leaders to build up a program of French security by force and intrigue as against the program of Woodrow Wilson—of international justice and good will and the mutual guaranties of the covenant of the League of Nations.

The French policy as opposed to the 14 points may be briefly summarized as follows:

- (1) French military control of the Rhine.
- (2) A permanent alliance of the great powers to help France to hold it.
- (3) A group of smaller allies to menace Germany from the east.
- (4) Territorial revision of the German Empire.

(5) Crippling of the German political organization.

(6) Disarmament of Germany but not of the Allies.

(7) A crushing indemnity.

(8) Deprivation of economic resources.

(9) A set of commercial agreements preferential to France, prejudicial to Germany.

(10) Germany not allowed to enter the League of Nations.

(11) Cutting off German markets, and so forth.

The French people undoubtedly have been profoundly affected by a fear of future German aggression, and they are proposing to make sure their future defense by breaking Germany down by the above program, by going heavily armed, and by promoting the same spirit and policy in Poland, Rumania, Greece, Belgium, and so forth. The British and the French have been regarded as the real force behind the Greek-Turk war.

They have failed to carry out the treaty entered into at Washington between the nations to reduce competitive naval armaments. The French leadership is slowly isolating from the French Government the sympathy of the world in spite of the fact that the American people have felt a great and sentimental friendship for the people of France. A wide distinction must always be made between the people of a country and the governing forces of a country. France is pursuing a policy which threatens Europe with war or Bolshevism, or both, and the sooner the French statesmen realize the error of this short-sighted policy, the better it will be for the world, and the better it will be for the happiness and prosperity of the French people.

If Europe receives American help it will be upon the basis of absolute international justice, of international understanding, of international good will. Perhaps Clemenceau's visit may open the door. I wish this venerable statesman a welcome to America, and hope his visit will be pleasant and agreeable and that it may be useful in leading to a better understanding between the people of America and the people of France. America is not going to support a policy of greed and brute force and injustice between nations. America is going to stand for the new order upon the face of God's footstool. Clemenceau is believed in America to have extorted much from Woodrow Wilson in the treaty of Versailles in exchange for the League of Nations, but he has not made the American people agree to the extortions, although because of the covenant of the League of Nations a large body of American opinion was willing to give support to the treaty of peace, believing, as Woodrow Wilson seemed to believe, that the principles of the covenant would in time correct the unjust features which had been written into the treaty, as they did do in regard to Shantung and naval armaments.

Mr. President, every human being, I suppose, is a product of his training and environment, and it is easier for an American—living in the United States, where 48 sovereign States live side by side in peace and happiness under a just and generous Government, a Government of the people, by the people, and for the people—to see the value of such forces as are at work in America than it is for Clemenceau or the French leaders to believe that peace on earth can be maintained by moral force and that moral force is greater than physical force and that moral force can produce physical force which will be triumphant even in war, and yet if they should reflect upon it they would at last be driven to concede that it was the moral forces behind the Entente Allies that brought bayonets from the ends of the earth in defense of liberty and justice and actually won the late war. The old order of European diplomacy believed alone in military force, in strategic boundaries, in secret covenants, in intrigue, in balances of power, and so forth, and this doctrine has been so ground into the mind of Clemenceau it is difficult indeed, if not impossible, for him to understand the conquering power of the new forces which are going to govern and make safe the world and which have been written in the covenant of the league under the inspiration, leadership, and sacrifice of Woodrow Wilson, whose name, as time goes on, will rise in greater and greater dignity and honor.

Clemenceau believes in balances of power, in alliances versus alliances. He tells us the hope of the world is France, Great Britain, and the United States versus Germany, Russia, and Turkey.

Not so, my dear Clemenceau. The peace of the world is justice to all nations alike, great and small, and a recognition of the doctrine "Turkey for the Turks, Russia for the Russians, as well as France for the French." Political independence and territorial integrity for every nation. Let Great Britain and France and Greece get out of Turkey and stay out.

Over 50 nations are now members of the League of Nations. The injustices of Versailles should be corrected at once. Germany and Russia should be brought into the league. The



United States should enter the league or declare an approval of its principles.

The principles of the 14 points should be written into the Versailles treaty as agreed—and especially disarmament, down to the limit of domestic needs, should be speedily accomplished. The budgets should be balanced. A federal reserve system of Europe adopted. Gold enough to supply the system should be advanced by the European countries with the aid of \$500,000,000 of American gold. An international conference of business men should be annually assembled with a view to increasing production and distribution of commodities and teaching men of all nations to know and trust each other. The economic barriers should be removed between nations.

You can not hate a man you really know and who really knows you.

The need of the world is mutual understanding, mutual faith and good will. It will lead to peace and to prosperity of all men. The doctrine of Christ is the true doctrine. "Thou shalt love thy neighbor as thyself." If dear Clemenceau could teach his people to turn their backs on fear and hate, even the Germans would respond to these sentiments and America could then do much to help Europe.

Mr. President, one of the most remarkable appeals for peace has come with the signatures of the representatives of the organization of European War Veterans after their participation in the last annual convention of the American Legion. Among these resolutions are the following:

That all international agreements among Governments affecting the entire people shall be open and above board, with full publicity.

To oppose territorial aggrandizement.

That an international court be established to outlaw war.

To proceed as rapidly as conditions permit, and when the decrees of such courts become operative entirely disarm and disband armies and their forces and destroy the implements of warfare.

The organizations of the soldiers of the late World War can do more to teach sanity to public leaders than, perhaps, any other force, and I rejoice in these resolutions. They reflect the principles of the 14 points, and go further to outlaw war.

There should be international treaties by which the invasion of the territory of another country should be denounced as an international high crime, punishable with death for the leaders guilty of it, and the world ought to inflict this penalty and teach by personal penalties stupid officials who bring about war that they are responsible for the death of the men whom they lead into aggressive, wrongful war, and they should suffer the penalty of death as a righteous judgment.

The time has come for the new order, and if Clemenceau really represents the better sentiment in France in saying, "Let us be good and let us be free," the American opinion might support America participating in the councils of Europe for the reconstruction of Europe—but when Clemenceau talks about "Turkish barbarism, German revenge, and Russian anarchy" as the problems he wishes America to help him to solve by an alliance with Great Britain and France to stop the menace of a Moslem war, the reply of America will be unsympathetic. We are not astonished nor shocked at the Turks driving the aggressive Greeks out of their country. We are in favor of Turkey for the Turks, of Russia for the Russians, of Germany for the Germans, and of France for the French, and opposed to any one of them invading the territory or the rights of any other. We are in favor of the principles of the league and the 14 points, which are binding on Clemenceau and on the French leadership, and until they recognize these principles they will have great difficulty in conciliating American opinion.

Mr. President, we believe that the people of Europe are deeply desirous of peace. It is the leadership of Europe that does not seem to understand the conditions upon which peace may be obtained. They are pursuing policies which are stirring up hate. If Clemenceau's visit to this country can make that perfectly clear to the leadership of Europe, if they will be advised from what Clemenceau is able to learn in the United States with regard to the true principles of government which should obtain between nations, his visit will not have been in vain. We hope his visit will accomplish that result.

#### APPENDIX.

Senate Concurrent Resolution 17, submitted by Senator OWEN January 28, 1918.

*Resolved by the Senate (the House of Representatives concurring),* The United States declared a state of war existing between the Imperial Government of Germany and the Imperial and Royal Government of Austria and the United States because of their repeated willful violations of the rights of the people of the United States under the acknowledged principles of international law; the sinking of unarmed merchant vessels

and of hospital and Red Cross ships; the destruction of the lives of unoffending American citizens on their lawful business on the high seas on many occasions; filling the United States with spies and secret agents; conspiring the wholesale destruction of American industries by arson, by explosions, and murder; systematically promoting sedition and treason among our citizens, and the criminal violation of our laws by the German and Austrian aliens residing in the United States; endeavoring to incite the hostility and aversion of other nations against the United States, and to persuade Mexico and Japan to make war upon the United States, and many other wrongful acts contrary to the laws of nations and in violation of justice and of humanity; and for the further reason that it had finally become known to the United States from indisputable evidence that the military masters of Germany and Austria had deliberately and secretly conspired to bring about an elaborately prepared offensive war by which and through which they intended, first, to dominate Europe, nation by nation, and then to dominate the other unprepared nations of the earth and establish a military world dominion.

For many years past the governing powers of Germany and Austria have by world-wide intrigue carried on a systematic attempt to disorganize public opinion in the United States and in the other nations of the world for the purpose of breaking down the powers of resistance of other nations against this conspiracy for world dominion by exciting nation against nation and internal disorders among the nations that might oppose this sinister design.

The United States has not forgotten that the military rulers of Germany and Austria deliberately prevented international agreements at the various Hague conventions for arbitration of international differences, abatement of armaments, and world peace.

The United States recognizes this war as an offensive war of the completely prepared German and Austrian military autocracies against the unsuspecting and inadequately prepared democracies of the world in pursuance of the policy laid down in the first and second articles of the secret treaty of Verona of November 22, 1922, in which the autocratic rulers of Prussia and Austria solemnly pledged their powers to each other to overthrow all "representative" governments on earth, the consummation of which design the Prussian and Austrian autocratic group has steadily and secretly kept in view, and that this war had for its objects the premeditated slaughter and robbery of the innocent peoples of other nations for the sordid and base purposes of annexation, indemnity, robbery, and commercial profit by military force and terrorism and ultimate world dominion.

The United States finally recognized the unavoidable necessity of meeting the forces of this military conspiracy on the battle fields of Europe in order to prevent the military rulers of Germany and Austria succeeding in the first step of mastering Europe as a means to mastering and robbing America.

The United States can not be deceived by those military leaders of Germany and Austria who now, before their own people, pretend to be waging a war of defense and to desire an honorable peace, but whose every act has clearly demonstrated to the whole world that they deliberately planned and are still persisting in this unspeakably brutal war, with their sinister purposes unchanged, and which they are still attempting to carry out by terrorism, intrigue, and systematic falsehood and deceit at home and abroad.

The United States can not confide in any statement or promise emanating from such a perfidious source until the German and Austrian people in fact and in sober truth can control the conduct of their agents and compel them to observe the rules of morality and good faith.

The United States did not enter this war for material advantage or for any selfish purpose or to gratify either malice or ambition.

The United States will not approve of forcible annexations or mere punitive indemnities, even on the misguided people of Austria or of Germany, but demands the complete evacuation of all territory invaded during the present war by the German and Austrian troops and the restoration and indemnity of Belgium, Serbia, Rumania, and Montenegro.

The United States believes that righting the wrong done to the French people by the Prussian Government in 1871 in the matter of Alsace-Lorraine will remove long-pending grievances due to previous military aggression and will promote future world peace.

The United States believes that a readjustment of the frontiers of Italy should be effected along clearly recognized lines of nationality; that an independent Polish State should be established over territory indisputably occupied by Polish



people; that the peoples of Austria-Hungary, of the Balkans, and of the Ottoman Empire should have the right of autonomous development.

The United States will favor recognizing and protecting by an international alliance the territorial integrity of all nations, great and small; the maintenance of the right of unembarrassed self-determination of all nations, and the right of such nations to manage their own affairs by internal self-government; and safeguarding the rights of backward peoples by international agreement.

The United States will favor extending international credits for the restoration of all places made waste by war.

The United States will insist that the oceans and high seas and international waterways and canals shall be open on equal terms to the citizens of all nations; that all nations shall have the untaxed right of access to the sea of their goods in bond, through any intervening territory to the seaports of other nations, with equal access to shipping facilities.

The United States will favor the removal, as far as possible, of all economic barriers and the establishment of equal trade conditions among all the nations of the world consenting to peace and associating themselves for its maintenance, without interfering with the right of any nation to govern its own imports and exports.

The United States will insist that adequate guaranties shall be given and taken to the end that national armaments on land and sea should be reduced to the lowest points consistent with domestic safety.

The unbounded ambition and deceit of the Prussian military autocrats are again exposed in shameless nakedness before the German and Austrian people, their allies, and the world at large in their present demands of annexation of adjacent Russian territory and other demands contemplating the domination of the Russian and Polish people in flat violation of their own Reichstag's recent pledges against annexation and indemnity.

The United States feels for the Russian people the liveliest sympathy in their great losses in life and property at the hands of the German and Austrian autocrats, as well as their magnificent and glorious struggles in behalf of freedom and democratic world peace.

Having passed through many severe tests and trials in establishing popular government in America, the people of the United States, through their own directly elected representatives, desire to extend to the Russian people the cordial hand of fellowship in their new-found freedom and to assure their democratic brothers in Russia that we earnestly desire to render them, so far as possible, every assistance they may need and which they themselves desire.

The United States will favor an open-minded and absolutely impartial adjustment of all colonial claims based upon a strict observance of the principle that in determining all such questions of sovereignty the interests of the population concerned must have equal weight with the claims of the Governments whose titles are to be determined.

The United States recognizes that a general association of civilized nations must be formed under specific covenants for the purpose of affording mutual guaranties of political independence and territorial integrity to nations, great and small alike, and of maintaining world peace, and believes that under such a system dissatisfied peoples now held under subjection to dominating nations for strategical purposes could be safely given their liberty and autonomy, as the rights of the dominant nation would be made safe by the general association of nations and the subject nation would cease to be a coveted asset against future war.

The United States believes that under such general association of nations it should be a violation of international law and the highest international crime for any nation, on any alleged ground, to invade by military power the territorial limits of another nation, and that the penalty for such invasions should be the immediate international blockade of the invading and offending nation, an embargo on all mail, express, and freight to and from such nation, and the suppression of such invasion by the combined forces of the general association of nations organized for the protection of world peace.

The United States believes that all future international treaties should be made in the open, where all the world may know of the proceedings in the framing of such treaties, and that secret diplomacy and international intrigue should end.

The United States desires to be on friendly terms, political, commercial, and social, with the people of every nation, including those now under the control of the German and Austrian military autocracies, and to restore as speedily as possible these friendly relations with the German and Austrian people as soon as they organize a Government responsible to the will of the

people of Germany and Austria and whenever they shall themselves demonstrate a willingness to deal with the other nations of the world on a basis of equality, justice, and humanity and are willing to abandon the atrocious and detestable doctrine of making war for annexation, indemnity, and profit.

The United States entered this war to protect the rights of its own citizens to life and liberty, to protect its own future, to make the world safe from the future menace of military despotism, dynastic ambitions, or competing armaments, to establish permanent world peace on a basis of international justice, righteousness, and humanity, and, in cooperation with the self-governing belligerent nations, will maintain these principles, whatever the cost, with firmness and resolution until these ends are fully accomplished.

#### SUPPRESSION OF MOB VIOLENCE.

The VICE PRESIDENT. The question is on the motion of the Senator from California [Mr. SHORTRIDGE] that the Senate proceed to the consideration of House bill No. 13.

Mr. DIAL. Mr. President, I ask unanimous consent to call up the bill (S. 3791) for the relief of William R. Bradley, former acting collector of internal revenue for South Carolina.

Mr. WATSON. I want it understood that it does not in any wise displace the pending motion.

The VICE PRESIDENT. Is there objection to the request of the Senator from South Carolina?

Mr. SHORTRIDGE. I object.

Mr. OVERMAN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	George	McNary	Stanfield
Brandegee	Hale	New	Sterling
Broussard	Harrell	Nicholson	Sutherland
Calder	Harris	Norris	Swanson
Cameron	Harrison	Overman	Townsend
Capper	Hitchcock	Phipps	Underwood
Caraway	Jones, Wash.	Reed, Pa.	Wadsworth
Curtis	Ladd	Sheppard	Walsh, Mass.
Dial	La Follette	Shortridge	Walsh, Mont.
Edge	Lodge	Simmons	Warren
Fletcher	McKellar	Smith	Watson
France	McKinley	Smoot	Willis

The VICE PRESIDENT. Forty-eight Senators have answered to their names. A quorum is present.

#### MERGER OF MEAT PACKERS.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent for the present consideration of Senate Resolution 364, which is lying upon the table subject to my call.

Mr. OVERMAN. I do not object, but I understood the Chair had announced that no quorum was present.

Mr. LA FOLLETTE. The Chair announced that a quorum was present.

The VICE PRESIDENT. A quorum is present.

Mr. LA FOLLETTE. I made the request which I made without prejudice to the pending motion.

The VICE PRESIDENT. The Senator from Wisconsin asks unanimous consent that the Senate proceed to the consideration of the resolution, which the Secretary will read for the information of the Senate.

Mr. WALSH of Montana. Mr. President, will the Senator from Wisconsin yield to me in order that I may make an inquiry of the Chair?

Mr. LA FOLLETTE. I yield.

Mr. WALSH of Montana. I inquire of the Chair how the Chair arrived at the conclusion that 48 Senators constitute a quorum of the Senate?

The VICE PRESIDENT. There are only 95 Members of the Senate at the present time.

Mr. WALSH of Montana. The question as to the propriety of that ruling is now before the Committee on Rules. Of course, the Chair is entirely justified under the existing rules in arriving at that conclusion. I trust, however, that the matter may at some time soon receive the attention of the committee and be finally determined by them.

Mr. DIAL. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from South Carolina?

Mr. LA FOLLETTE. I yield.

Mr. DIAL. Mr. President, I understand the Senator from Wisconsin has unanimous consent for the consideration of a resolution.

Mr. LA FOLLETTE. I have.

The VICE PRESIDENT. That request has been made.

Mr. DIAL. I shall object to its consideration, but I will not offer an objection to the resolution being read.



Mr. LA FOLLETTE. Then I ask to have it read, Mr. President, as I have modified it.

The VICE PRESIDENT. The Secretary will read the resolution.

The Secretary read the resolution (S. Res. 364), as modified, submitted by Mr. LA FOLLETTE on the 22d instant, as follows:

*Resolved, That the Secretary of Agriculture be, and hereby is, directed to report immediately to the Senate all information now in his possession relating to any proposed merger or mergers of large meat-packing companies, accompanying said report with a statement of the number of animals annually slaughtered under Federal inspection, tabulated by fiscal years beginning July 1, 1919, and the proportion slaughtered by each of the five principal packers, with their subsidiary and affiliated companies; also to report what action, if any, he has taken or contemplates taking in reference to such proposed merger.*

The VICE PRESIDENT. The question is on the request of the Senator from Wisconsin for unanimous consent.

Mr. DIAL. Mr. President, as I understand, to-day is Calendar Monday. I do not desire to consume any time whatever; but I have a little bill which is uncontested, which has been considered and unanimously reported by the Committee on Claims and recommended by the Secretary of the Treasury. It is designed to expedite the settlement of the account of a former acting internal-revenue collector in my State. There is no appropriation whatever involved. I should like to have that bill passed. I have been trying all day to secure its consideration. My friends on the other side objected to unanimous consent for that purpose. I expect to leave the city in a day or two, to be gone two or three days. I should like to have my little bill passed before that time. If I could get unanimous consent to do so I should be very glad to have it considered, but, if I can not, I am going to object to any measure coming up by unanimous consent so long as I am in town and until I have to go home in the next three or four days. I object to the consideration of the resolution at this time.

Mr. SIMMONS. Mr. President, I should like to say to the Senator from South Carolina that I think the resolution offered by the Senator from Wisconsin is a very important one and is rather urgent. Would the Senator be willing to withdraw his objection if the Senator from Wisconsin would consent to taking up the bill to which the Senator from South Carolina refers?

Mr. DIAL. I did not pay any attention to the reading of the resolution and I do not know anything about it and do not care anything about it for the present, but I want to be assured that I can secure the passage of my uncontested bill reported unanimously by the Claims Committee.

Mr. LA FOLLETTE. The Senator will certainly encounter no objection from me to the consideration of his bill.

Mr. SIMMONS. Will the Senator from Wisconsin withdraw his resolution temporarily in order that the Senator from South Carolina may ask unanimous consent for the consideration of the bill referred to by him?

Mr. SMOOT. There will be objection to the consideration of the bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin for unanimous consent for the consideration of Senate Resolution 364?

Mr. DIAL. I object.

Mr. OVERMAN. I move that the Senate adjourn.

Mr. TOWNSEND. Let us have an executive session.

Mr. OVERMAN. Very well, I will move then that the Senate proceed to the consideration of executive business.

Mr. SHORTRIDGE. In the nature of an amendment I move that when the Senate conclude its business this afternoon it take a recess until to-morrow at 12 o'clock.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Harrell	Nicholson	Stanfield
Brandegge	Harris	Norris	Sterling
Calder	Harrison	Overman	Sutherland
Cameron	Hitchcock	Owen	Swanson
Capper	Jones, Wash.	Phipps	Townsend
Caraway	Keyes	Rawson	Underwood
Curtis	Ladd	Reed, Pa.	Wadsworth
Dial	La Follette	Sheppard	Walsh, Mass.
Edge	Lodge	Shortridge	Walsh, Mont.
Fletcher	McKellar	Simmons	Watson
France	McKinley	Smith	Weller
George	McNary	Smoot	Willis
Hale	New	Spencer	

The VICE PRESIDENT. Fifty-one Senators have answered to their names. A quorum is present.

#### EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

Mr. OVERMAN. I withdraw my motion to adjourn in order that the Senator from Kansas may make his motion.

The VICE PRESIDENT. The question is on the motion of the Senator from Kansas.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 4 o'clock and 38 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, November 28, 1922, at 12 o'clock meridian.

#### NOMINATIONS.

*Executive nominations received by the Senate November 27, 1922.*

##### ASSISTANT ATTORNEY GENERAL.

Augustus T. Seymour, of Ohio, to be assistant to the Attorney General, vice Guy D. Goff, resigned. (Mr. Seymour is now serving under recess appointment.)

##### ASSOCIATE JUSTICE OF SUPREME COURT OF HAWAII.

Alexander Lindsay, jr., of Hawaii, to be associate justice of the Supreme Court, Territory of Hawaii, vice William S. Edings, term expired. (Mr. Lindsay is now serving under recess appointment.)

##### UNITED STATES DISTRICT JUDGE.

John C. Rose, of Maryland, now serving as United States district judge, district of Maryland, to be United States circuit judge, fourth circuit. (Additional position created by the act approved September 14, 1922.)

##### UNITED STATES ATTORNEY.

F. G. Boatright, of Georgia, to be United States attorney, southern district of Georgia, vice John W. Bennett, resigned. (Mr. Boatright is now serving under recess appointment.)

##### UNITED STATES MARSHALS.

Joseph W. Tolbert, of South Carolina, to be United States marshal, western district of South Carolina, vice C. J. Lyon, removed. (Mr. Tolbert is now serving under recess appointment.)

A. R. Eldridge, of Texas, to be United States marshal, northern district of Texas, vice James A. Baggett, term expired. (Mr. Eldridge is now serving under recess appointment.)

##### COMPTROLLER OF CUSTOMS.

Clinton O. Richardson, of Baltimore, Md., to be comptroller of customs in customs collection district No. 13, with headquarters at Baltimore, Md., in place of W. Mitchell Digges, resigned.

##### MEDICAL CORPS.

###### *To be captains.*

First Lieut. George Paul Sandroek, Medical Corps, from September 7, 1922.

First Lieut. Edward Athelstane Casserly, Medical Corps, from September 25, 1922.

First Lieut. Walter Clifton Royals, Medical Corps, from October 4, 1922.

##### MEDICAL ADMINISTRATIVE CORPS.

###### *To be first lieutenant.*

Second Lieut. Thomas Grimsley Hester, Medical Administrative Corps, from November 10, 1922.

##### CHAPLAINS.

###### *To be chaplain with the rank of major.*

Chaplain Stanley Clayton Ramsden, from September 22, 1922.

###### *To be chaplains with the rank of captain.*

Chaplain John Truman Kendall, from July 15, 1922.

Chaplain James Aloysius Manley, from October 5, 1922.

Chaplain Frank Meredith Thompson, from October 10, 1922.

Chaplain Walter B. Zimmerman, from October 10, 1922.

Chaplain Jacob Donald Hockman, from October 11, 1922.

Chaplain Joseph Burt Webster, from October 11, 1922.

Chaplain Washington Cannon Pinson, from November 22, 1922.

##### APPOINTMENTS IN THE REGULAR ARMY.

##### QUARTERMASTER CORPS.

*To be assistants to the Quartermaster General, with the rank of brigadier general, for a period of four years from date of acceptance.*

Col. John Bellinger Bellinger, Quartermaster Corps, from December 1, 1922, vice Brig. Gen. John M. Carson, who is to be retired from active service November 30, 1922.



Col. Albert Clayton Dalton, Quartermaster Corps, from December 8, 1922, vice Brig. Gen. Charles R. Krauthoff, who is to be retired from active service December 7, 1922.

#### PROMOTIONS IN THE ARMY.

##### MARINE CORPS.

Capt. Walter S. Gaspar to be a captain in the Marine Corps from the 1st day of July, 1921, to correct the date from which he takes rank as previously nominated and confirmed.

Capt. William K. MacNulty to be a captain in the Marine Corps from the 14th day of July, 1921, to correct the date from which he takes rank as previously nominated and confirmed.

Capt. Alfred Dickerson to be a captain in the Marine Corps from the 28th day of August, 1921, to correct the date from which he takes rank as previously nominated and confirmed.

Capt. Thomas R. Shearer to be a captain in the Marine Corps from the 24th day of September, 1921, to correct the date from which he takes rank as previously nominated and confirmed.

Capt. Jacob M. Pearce to be a captain in the Marine Corps from the 18th day of October, 1921, to correct the date from which he takes rank as previously nominated and confirmed.

Capt. Charles C. Gill to be a captain in the Marine Corps from the 2d day of November, 1921, to correct the date from which he takes rank as previously nominated and confirmed.

First Lieut. John F. McVey to be a captain in the Marine Corps from the 28th day of March, 1922.

##### POSTMASTERS.

##### CALIFORNIA.

George W. Fraser to be postmaster at Pinole, Calif., in place of J. W. Townes. Incumbent's commission expired September 5, 1922.

George M. Heath to be postmaster at Ione, Calif., in place of S. H. Hawkins. Incumbent's commission expired September 5, 1922.

James A. Lewis to be postmaster at Carpinteria, Calif., in place of J. A. Lewis. Incumbent's commission expired September 5, 1922.

##### COLORADO.

Theodore Stremme to be postmaster at Gypsum, Colo. Office became presidential October 1, 1922.

##### HAWAII.

Elizabeth Perkins to be postmaster at Wahiawa, Hawaii, in place of L. W. Jongeneel, failed to qualify.

##### ILLINOIS.

William H. Lower to be postmaster at Min'er, Ill., in place of J. F. Davis. Incumbent's commission expired January 17, 1920.

Alvin P. Bickenbach to be postmaster at Illiopolis, Ill., in place of L. T. L. Neff. Incumbent's commission expired February 4, 1922.

William Ryder to be postmaster at Auburn, Ill., in place of D. T. Queen. Incumbent's commission expired February 4, 1922.

John L. Shanks to be postmaster at Ashley, Ill., in place of Henry Gilbert, resigned.

##### INDIANA.

Charles R. Jones to be postmaster at Summitville, Ind., in place of W. E. Cartwright. Incumbent's commission expired September 5, 1922.

Harry H. Cope to be postmaster at Madison, Ind., in place of J. B. Lawler, removed.

Joseph W. McMahon to be postmaster at Covington, Ind., in place of G. P. Schwin, resigned.

##### IOWA.

August Rickert to be postmaster at Schleswig, Iowa, in place of A. H. Stoltenberg, removed.

Grace M. Storey to be postmaster at Dysart, Iowa, in place of E. F. Douglass. Incumbent's commission expired September 5, 1922.

Otto W. Bierkamp to be postmaster at Durant, Iowa, in place of E. F. Jockheck, jr. Incumbent's commission expired September 5, 1922.

##### KANSAS.

Ezra E. Shields to be postmaster at Wathena, Kans., in place of W. R. Martin. Incumbent's commission expired September 13, 1922.

Charles F. Ackerman to be postmaster at Kanopolis, Kans., in place of W. D. Sturgis. Incumbent's commission expired September 13, 1922.

##### KENTUCKY.

Harvey B. Turner to be postmaster at Evarts, Ky. Office became presidential April 1, 1921.

Sidney A. Lovelace to be postmaster at London, Ky., in place of E. W. Hackney, resigned.

John H. Collings to be postmaster at Lebanon Junction, Ky., in place of J. T. Wickersham, resigned.

Eli H. Blewett to be postmaster at Franklin, Ky., in place of R. F. Neely. Incumbent's commission expired January 8, 1921.

Alice F. Lewis to be postmaster at Burnside, Ky., in place of F. C. Sloan, resigned.

##### LOUISIANA.

John B. Sewell to be postmaster at Baldwin, La., in place of J. B. Sewell. Incumbent's commission expired September 5, 1922.

##### MAINE.

Joe P. Davis to be postmaster at South Berwick, Me., in place of D. N. Cheney. Incumbent's commission expired October 24, 1922.

Harry N. Ferguson to be postmaster at Sanford, Me., in place of H. E. Perkins. Incumbent's commission expired September 28, 1922.

##### MARYLAND.

Mary B. Workman to be postmaster at Fort Howard, Md. Office became presidential October 1, 1922.

Ernest W. Pickett to be postmaster at Woodbine, Md., in place of F. T. Buckingham, deceased.

Harry L. Feeser to be postmaster at Taneytown, Md., in place of W. E. Burke. Incumbent's commission expired September 5, 1922.

William Melville to be postmaster at Sykesville, Md., in place of M. H. Weer. Incumbent's commission expired September 5, 1922.

David S. Hickman to be postmaster at Snow Hill, Md., in place of J. S. Price, resigned.

Milton D. Reid to be postmaster at New Windsor, Md., in place of W. D. Lovell. Incumbent's commission expired September 5, 1922.

Anna B. Bowie to be postmaster at Kensington, Md., in place of A. B. Bowie. Incumbent's commission expired September 5, 1922.

Elwood L. Murray to be postmaster at Hampstead, Md., in place of J. O. Murray. Incumbent's commission expired September 5, 1922.

##### MICHIGAN.

George A. Mason to be postmaster at Cedar, Mich. Office became presidential October 1, 1922.

George Q. Brace to be postmaster at Sparta, Mich., in place of A. H. Meeker. Incumbent's commission expired September 13, 1922.

Mary E. Swanson to be postmaster at Spring Lake, Mich., in place of M. E. Swanson. Incumbent's commission expired September 13, 1922.

Angus G. Grayson to be postmaster at Pellston, Mich., in place of E. F. Mathews. Incumbent's commission expired September 13, 1922.

##### MINNESOTA.

Charles H. Wise to be postmaster at Wayzata, Minn., in place of C. H. Dickey, resigned.

Freeman S. Holmes to be postmaster at South Haven, Minn., in place of F. S. Holmes. Incumbent's commission expired September 13, 1922.

William G. Early to be postmaster at Eyota, Minn., in place of E. M. Grandy, resigned.

Robert K. Brough to be postmaster at Alexandria, Minn., in place of R. K. Brough. Incumbent's commission expired July 20, 1921.

Stanley E. Nelson to be postmaster at Adrian, Minn., in place of J. A. Roerig. Incumbent's commission expired September 13, 1922.

##### MISSISSIPPI.

Michael J. Mulvihill, jr., to be postmaster at Vicksburg, Miss., in place of H. H. Mackey. Incumbent's commission expired September 19, 1922.

##### MISSOURI.

William H. Roster to be postmaster at St. James, Mo., in place of Patrick Birmingham. Incumbent's commission expired September 5, 1922.

Theron H. Watters to be postmaster at Marshfield, Mo., in place of C. C. Hamilton. Incumbent's commission expired September 5, 1922.

William L. Moorhead to be postmaster at Hopkins, Mo., in place of A. C. Monroe. Incumbent's commission expired September 5, 1922.

##### MONTANA.

John B. Randall to be postmaster at Wolf Point, Mont., in place of C. H. Hanson, removed.



## NEVADA.

Daniel E. Morton to be postmaster at Carson City, Nev., in place of A. B. Karns. Incumbent's commission expired May 25, 1922.

## NEW JERSEY.

August Graf to be postmaster at Hoboken, N. J., in place of Adolph Lankering, resigned.

## NEW YORK.

Monroe W. LeFevre to be postmaster at Water Mill, N. Y. Office became presidential October 1, 1922.

George W. Harris to be postmaster at Richmondville, N. Y., in place of E. N. Taber, declined.

William F. Winterbotham to be postmaster at Old Forge, N. Y., in place of W. F. Winterbotham. Incumbent's commission expired May 9, 1922.

## NORTH CAROLINA.

George A. Woods to be postmaster at Nazareth, N. C. Office became presidential October 1, 1922.

Don H. Gosorn to be postmaster at Old Fort, N. C., in place of T. L. Grant. Incumbent's commission expired September 5, 1922.

Thomas E. Sparrow to be postmaster at Hillsboro, N. C., in place of G. C. Lynch. Incumbent's commission expired September 5, 1922.

Vernon W. Faris to be postmaster at Henderson, N. C., in place of I. J. Young. Incumbent's commission expired April 16, 1921.

Willis A. Willcox to be postmaster at Halifax, N. C., in place of L. N. Fenner. Incumbent's commission expired January 24, 1922.

Allen R. Edwards to be postmaster at Bladenboro, N. C., in place of A. A. Hilburn. Incumbent's commission expired September 5, 1922.

## NORTH DAKOTA.

Meeda McMullen to be postmaster at Forest River, N. Dak. Office became presidential October 1, 1922.

Paul Keller to be postmaster at Hebron, N. Dak., in place of Paul Keller. Incumbent's commission expired September 5, 1922.

## OHIO.

Joseph M. Collins to be postmaster at Springfield, Ohio, in place of C. P. Dunn. Incumbent's commission expired September 19, 1922.

## OREGON.

Flora A. Fowler to be postmaster at Goble, Oreg. Office became presidential October 1, 1922.

## PENNSYLVANIA.

Carey W. Huff to be postmaster at James City, Pa. Office became presidential October 1, 1922.

Isaac W. Edgar to be postmaster at Glenshaw, Pa. Office became presidential January 1, 1921.

Daniel J. Turner to be postmaster at Clarksville, Pa. Office became presidential October 1, 1922.

John W. Munnell to be postmaster at Waynesburg, Pa., in place of C. K. Spragg, removed.

Jesse E. McCracken to be postmaster at Mahaffey, Pa., in place of B. W. McCracken. Incumbent's commission expired September 13, 1922.

Daniel A. Strayer to be postmaster at Coalport, Pa., in place of J. K. Gorman. Incumbent's commission expired September 13, 1922.

## TENNESSEE.

Conley Collins to be postmaster at Morristown, Tenn., in place of J. E. Helms. Incumbent's commission expired September 5, 1922.

## TEXAS.

J. Edwin Moore to be postmaster at Lometa, Tex., in place of W. H. Reaves. Incumbent's commission expired September 5, 1922.

## VERMONT.

Lawrence L. Tinkham to be postmaster at Quechee, Vt. Office became presidential October 1, 1922.

Charles A. Bourn to be postmaster at Manchester Depot, Vt., in place of H. S. King. Incumbent's commission expired September 19, 1922.

## VIRGINIA.

Edward S. Barnitz to be postmaster at Salem, Va., in place of J. P. Saul, resigned.

Holdway E. Lane to be postmaster at Gate City, Va., in place of J. M. Minnich. Incumbent's commission expired September 13, 1922.

## CONFIRMATIONS.

*Executive nominations confirmed by the Senate November 27, 1922.*

## POSTMASTERS.

## MARYLAND.

Everett M. Layton, Berlin.  
John W. Payne, Preston.  
Robert H. Phillips, Salisbury.  
Victor F. Cullen, State Sanatorium.  
Nettie Fowler, Bowie.

## HOUSE OF REPRESENTATIVES.

MONDAY, November 27, 1922.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We trust that we approach Thee, O Lord, with open hearts and sacred desire. The light of day is a proof of Thy mercy and the night is written all over with the stars of Thy presence. Help us to a clear understanding of these days. Give patience to those who wait and hope to those who labor. In all manly strength and courage may we persevere in the things that are right. As solemn responsibilities have been intrusted to this assembly, bless all Members with broad knowledge that they may be able to respond wisely to their demands.

Give comfort to all homes of sickness. Make a way for us where there is no path, and when the darkness thickens let the pressure of Thy hand be tenderest. Amen.

The Journal of the proceedings of Saturday, November 25, 1922, was read and approved.

## SWEARING IN OF A MEMBER.

Mr. ANDREWS of Nebraska. Mr. Speaker, Mr. R. H. THORPE, Member elect from the first district of Nebraska, to succeed Hon. C. F. Reavis for the unexpired term ending March 4, 1923, is present, ready to take the oath of office. His credentials are on file with the Clerk.

The SPEAKER. The gentleman will come forward.

Mr. THORPE appeared at the bar of the House and took the oath of office.

## THE MERCHANT MARINE.

Mr. GREENE of Massachusetts. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12817, to amend and supplement the merchant marine act, 1920, and for other purposes.

The question was taken.

Mr. GARRETT of Tennessee. Mr. Speaker, it occurs to me that we ought to have a roll call on this matter, and I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Tennessee makes the point of order that there is no quorum present. Evidently there is not. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absentees, and the Clerk will call the roll.

The Clerk called the roll, and there were—yeas 229, nays 88, answered "present" 1, not voting 114, as follows:

## YEAS—229.

Ackerman	Burness	Darrow	Gerner
Anderson	Butler	Dempsey	Gifford
Andrew, Mass.	Cable	Dickinson	Goodykoontz
Andrews, Nebr.	Campbell, Kans.	Dowell	Gorman
Appleby	Campbell, Pa.	Dyer	Graham, Ill.
Arenz	Cannon	Edmonds	Greene, Mass.
Atkeson	Chalmers	Elliott	Greene, Vt.
Bacharach	Chandler, N. Y.	Ellis	Griest
Barbour	Chindblom	Evans	Hadley
Beck	Christopherson	Fairchild	Hardy, Colo.
Beedy	Clague	Fairfield	Haugen
Begg	Clarke, N. Y.	Faust	Hawley
Benham	Clouse	Fenn	Hays
Bird	Codd	Fess	Henry
Bixler	Cole, Iowa	Fisher	Hershey
Blakeney	Cole, Ohio	Fisher	Hickey
Bland, Ind.	Colton	Fitzgerald	Hill
Boies	Cooper, Wis.	Foster	Himes
Bond	Coughlin	Frear	Hoch
Bowers	Crago	Free	Hogan
Britten	Cramton	French	Hukriede
Brooks, Ill.	Crowther	Frothingham	Hull
Brown, Tenn.	Curry	Fuller	Humphrey, Nebr.
Browne, Wis.	Dale	Gahn	Husted
Burdick	Dallinger	Gensman	James



Jefferis, Nebr.	McPherson	Perkins	Sweet
Johnson, S. Dak.	MacGregor	Perlman	Swing
Johnson, Wash.	MacLafferty	Porter	Taylor, Tenn.
Kahn	Madden	Pringle	Thorpe
Kearns	Magee	Radcliffe	Tilson
Keller	Maloney	Ransley	Tincher
Kelly, Pa.	Mapee	Reece	Tinkham
Ketcham	Martin	Reed, N. Y.	Towner
Kindred	Merritt	Reed, W. Va.	Treadway
Kirkpatrick	Michener	Rhodes	Underhill
Kissel	Miller	Ricketts	Vaile
Kline, N. Y.	Millsbaugh	Roach	Vare
Kline, Pa.	Mondell	Robertson	Vestal
Knutson	Montoya	Robison	Voigt
Kopp	Moore, Ill.	Rogers	Volk
Kraus	Moore, Ohio	Rose	Volstead
Kunz	Moores, Ind.	Rossdale	Walters
Lampert	Morgan	Sanders, N. Y.	Watson
Larson, Minn.	Mott	Scott, Mich.	Webster
Lawrence	Murphy	Scott, Tenn.	White, Kans.
Layton	Nelson, Me.	Shelton	White, Me.
Lazaro	Nelson, A. P.	Sinclair	Williams, Ill.
Lea, Calif.	Nelson, J. M.	Sinnott	Williamson
Leatherwood	Newton, Minn.	Slomp	Wilson
Leibach	Norton	Smith, Idaho	Wood, Ind.
Lineberger	O'Connor	Snell	Woodruff
Little	Ogden	Snyder	Wurzbach
Longworth	Olpp	Speaks	Wyant
Luhning	Paige	Sprout	Yates
McDuffie	Park, Ga.	Stafford	Young
McFadden	Parker, N. J.	Stephens	
McLaughlin, Mich.	Patterson, Mo.	Strong, Kans.	
McLaughlin, Nebr.	Patterson, N. J.	Strong, Pa.	

NAYS—88.

Abernethy	Doughton	Larsen, Ga.	Rouse
Almon	Drewry	Lee, Ga.	Rucker
Aswell	Driver	Linthicum	Sanders, Tex.
Bankhead	Favrot	Logan	Sandlin
Barkley	Fields	London	Sears
Bland, Va.	Fulmer	Lowrey	Smithwick
Blanton	Garner	Lyon	Steagall
Bowling	Garrett, Tenn.	McClintic	Stedman
Box	Garrett, Tex.	McSwain	Stevenson
Briggs	Gilbert	Mansfield	Stoll
Buchanan	Hammer	Montague	Summers, Tex.
Bulwinkle	Hardy, Tex.	Moore, Va.	Swank
Byrnes, S. C.	Harrison	Oldfield	Tague
Byrnes, Tenn.	Hayden	Oliver	Taylor, Colo.
Carew	Hooker	Parks, Ark.	Thomas
Carter	Huddleston	Pou	Tillman
Collier	Jeffers, Ala.	Quin	Turner
Collins	Johnson, Miss.	Rainey, Ala.	Tyson
Connally, Tex.	Jones, Tex.	Rainey, Ill.	Vinson
Crisp	Kincheleo	Raker	Wingo
Davis, Tenn.	Lanham	Rankin	Wise
Dominick	Lankford	Rayburn	Wright

ANSWERED "PRESENT"—1.

Sabbath

NOT VOTING—114.

Ansorge	Freeman	Langley	Shaw
Anthony	Funk	Lee, N. Y.	Shreve
Bell	Gallivan	Luce	Siegel
Black	Glynn	McArthur	Sisson
Brand	Goldsborough	McCormick	Smith, Mich.
Brennan	Gould	McKenzie	Steenerson
Brooks, Pa.	Graham, Pa.	McLaughlin, Pa.	Stiness
Burke	Green, Iowa	Mann	Sullivan
Burroughs	Griffin	Mead	Summers, Wash.
Burton	Hawes	Michaelson	Taylor, Ark.
Cantrill	Herrick	Mills	Taylor, N. J.
Chandler, Okla.	Hicks	Morin	Temple
Clark, Fla.	Huck	Mudd	Ten Eyck
Classon	Hudspeth	Newton, Mo.	Thompson
Cockran	Humphreys, Miss.	O'Brien	Timberlake
Connolly, Pa.	Hutchinson	Osborne	Tucker
Cooper, Ohio	Ireland	Overstreet	Upshaw
Copley	Jacoway	Parker, N. Y.	Ward, N. Y.
Cullen	Johnson, Ky.	Petersen	Ward, N. C.
Davis, Minn.	Jones, Pa.	Purnell	Wason
Deal	Kelley, Mich.	Ramsayer	Weaver
Denison	Kendall	Reber	Wheeler
Drane	Kennedy	Riddick	Williams, Tex.
Dunbar	Kless	Riordan	Winslow
Dunn	King	Rodenberg	Woods, Va.
Dupré	Kitchin	Rosenbloom	Woodyard
Echols	Klecza	Ryan	Zihlman
Focht	Knight	Sanders, Ind.	
Fordney	Kreider	Schall	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Mann (for) with Mr. Sabbath (against).

Until further notice:

Mr. Dunbar with Mr. Brand.

Mr. Fordney with Mr. Cockran.

Mr. Purnell with Mr. Tucker.

Mr. Davis of Minnesota with Mr. Bell.

Mr. Shreeve with Mr. Gallivan.

Mr. Ramsayer with Mr. O'Brien.

Mr. Mudd with Mr. Williams of Texas.

Mr. Anthony with Mr. Dupré.

Mr. Connolly of Pennsylvania with Mr. Cantrill.

Mr. Newton of Missouri with Mr. Griffin.

Mr. Rosenbloom with Mr. Upshaw.

Mr. King with Mr. Weaver.

Mr. Graham of Pennsylvania with Mr. Sullivan.

Mr. Mills with Mr. Deal.

Mr. Thompson with Mr. Johnson of Kentucky.

Mr. Michaelson with Mr. Riordan.

Mr. Kless with Mr. Sisson.

Mr. Green of Iowa with Mr. Hawes.

Mr. Focht with Mr. Goldsborough.

Mr. McKenzie with Mr. Humphreys of Mississippi.

Mr. Morin with Mr. Kitchin.

Mr. McArthur with Mr. Mead.

Mr. Ward of New York with Mr. Hudspeth.

Mr. Burton with Mr. Black.

Mr. Denison with Mr. Cullen.

Mr. Luce with Mr. Woods of Virginia.

Mr. Sanders of Indiana with Mr. Ward of North Carolina.

Mr. Winslow with Mr. Jacoway.

Mr. Osborne with Mr. Drane.

Mr. Kendall with Mr. Taylor of Arkansas.

Mr. Burroughs with Mr. Overstreet.

Mr. Langley with Mr. Clark of Florida.

The result of the vote was announced as above recorded.

A quorum being present, the doors were opened.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the merchant marine bill, with Mr. TILSON in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12817, which the Clerk will report for amendment.

The Clerk began the reading of the bill.

Mr. GRAHAM of Illinois. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. GRAHAM of Illinois. Under the rule or practice is it intended to read the whole section before the offering of amendments?

The CHAIRMAN. The bill will be read by sections under the rule. The Clerk will proceed to read the first section of the bill.

The Clerk began the reading of the bill.

Mr. FREAR. Mr. Chairman, I want to ask—I did not hear the ruling of the Chair—is it that the paragraph must first be read before the offering of amendments?

The CHAIRMAN. The bill is being read by sections. The Clerk will proceed to read the first section of the bill.

The Clerk read as follows:

*Be it enacted, etc.—*

TITLE I. AMENDMENTS TO THE MERCHANT MARINE ACT, 1920.

SECTION 1. Section 5 of the merchant marine act, 1920, is amended to read as follows:

"SEC. 5. (a) That in order to accomplish the declared purposes of this act, and to carry out the policy declared in section 1 hereof, the board is authorized and directed to sell, as soon as practicable, consistent with good business methods and the objects and purposes to be attained by this act, at public or private competitive sale after appraisal and due advertisement, to persons who are citizens of the United States, except as provided in section 6 of this act, all the vessels referred to in section 4 of this act or otherwise acquired by the board.

"(b) Any vessel may be sold without such advertisement or such competitive sale, if such action is specifically authorized by the board upon an affirmative vote of not less than five of its members, and if such vote and a full statement of the reasons for authorizing such sale are spread upon the minutes of the board.

"(c) Any sale under this section shall be made at such prices and on such terms and conditions, including the use or disposition of the vessel by the purchaser, as the board may prescribe; except that (1) the completion of the payment of the purchase price and interest shall not be deferred more than 15 years after the making of the contract of sale, (2) interest on the unpaid purchase price shall be payable at least annually at a rate of not less than 4 per cent per annum, and (3) the payments of principal shall be so arranged that the amounts due or paid under the contract of sale as principal up to any moment of time shall be sufficient to cover depreciation of the vessel up to such moment, unless the board waives this requirement upon the giving of adequate security.

"(d) All sales made under the authority of this act shall be subject to the limitations and restrictions of section 9 of the shipping act, 1916, as amended."

Mr. GRAHAM of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAHAM of Illinois: Page 2, lines 6 to 11, inclusive, strike out all subsection.

Mr. GRAHAM of Illinois. Mr. Chairman and gentlemen of the committee, this subsection provides, in brief, that any vessel may be sold without advertisement or competitive sale if the action is specifically authorized by the Shipping Board and if that board writes down on their minutes why they wanted it done. I suppose the idea of those who framed this par-



ticular subsection was that if the reasons were given on some record somewhere that was all that is considered necessary for safety. Let me say to the membership of the committee that I consider this one of the most vulnerable sections. Gentlemen of the committee, and especially those on the Republican side, I want to say a word to you about this. The Republican Party is chargeable for this bill, and properly so. There are several of us here who would like to vote for this bill if it can be amended so that it can be defended among our constituencies, but I want to say to you earnestly now on the Republican side that those who are in charge of this bill had better listen rather carefully to suggestions that are made by those who are friendly to the cause of the Republican Party and friendly to the general principle involved in this bill and be liberal in permitting amendments to this bill. [Applause.] If you do that, so far as I am concerned I want to go along. I do not think I need vouch for my abstract of title to Republicanism. I want to vote for this bill. I want the bill fixed so that I can vote for it, and the place to fix it is here. The Republicans should have fixed it in conference, so as to come in with a united front, but we did not, so we must perfect it here, if at all. Now, we have this one section that ought not to be in this bill. Some of the worst scandals that arose out of our late war came from negotiated sales of surplus materials that came after the war was over. Millions of dollars worth of surplus material were sold without advertisement, not sold as the result of competitive bidding, and sold by negotiated sales. Those sales stink to the high heaven. Here are \$3,000,000,000 worth of ships. It may be that they are only worth \$150,000,000. Here are 2,200 ships, and the members of the majority side, because it is our bill, propose to give to the Shipping Board, composed of men who may or may not know what the ships are worth, and who may or may not be honest, the power to sell these ships for anything they see proper. What sort of proposition is that? Let me tell you something, gentlemen on the Republican side. For every mistake or error of judgment that this Shipping Board may make in their sales of these vessels we will be held responsible, and the people of this country will not question whether they were errors of judgment or mistakes, but they will hold us responsible for the worst possible construction to be placed upon their acts. This section ought to be stricken out.

These ships ought to be sold by competitive bidding so that you can go to the country and defend the sales. I sincerely trust that this section will go out of this bill. [Applause.]

Mr. FREAR. Mr. Chairman, I wish to speak to the same amendment.

The CHAIRMAN. The gentleman is recognized in opposition to the amendment.

Mr. FREAR. In favor of the amendment. I take the same position so far as the pending amendment is concerned as the gentleman [Mr. GRAHAM of Illinois] who preceded me. I also take the same position regarding my Republicanism, which has been uniform for many years since the first time I ever voted. As I received a majority of over 37,000 in the last primary, I have no apology to make. I want to read something in regard to this very question which comes to me from the New York Herald upon this very point, an article which has been printed and circulated throughout the country in regard to views expressed several days ago by the Wisconsin delegation. A reporter of the New York Herald called on me and endeavored to put words in my mouth which I refused to agree to. This is the first time this has happened to my knowledge from any reputable reporter. As a class they are of as high a character as men on this floor, I believe. This is what he said in addition to the authorized statement given out, which authorized statement was as follows:

I have been instructed to say that the Wisconsin delegation individually and collectively expects to work with the Republican organization as heretofore. It has no candidate to offer nor support to ask as a delegation. Primarily, it is interested in the enactment of progressive legislation, which is interpreted to be a recent mandate from the people.

Here is the misstatement that has no basis of fact whatever, as follows:

Mr. FREAR said the Wisconsin delegation would not oppose the selection of Mr. GILLET and Representative LONGWORTH as Speaker and Republican floor leader.

That statement was never made, never could be made, because never discussed by the delegation, and existed only in the imagination of the Herald reporter. No other paper, to my knowledge, has printed any such inference as that published by this paper.

Mr. MONDELL rose.

The CHAIRMAN. For what purpose does the gentleman from Wyoming rise?

Mr. MONDELL. Mr. Chairman, we want to conclude the consideration of this bill. We want to have every provision of

the bill read and an opportunity allowed for amendment before the time comes for voting. In order to do that the House must confine itself to the matters before it. I hope the gentleman from Wisconsin [Mr. FREAR] will not bring in extraneous matters and that we may get down to the discussion of the bill and the amendment.

Mr. FREAR. I am in sympathy with the gentleman. I want to make just a brief statement.

Mr. MONDELL. I hope the statement the gentleman will make will be very brief.

Mr. FREAR. My brief statement is, in effect, that I never made such a statement. There is no truth in it, because I could not speak in any way for the delegation. As to another part, that the Republican leader believes it is a confession of weakness, I do not believe any Republican leader ever made such a statement to the Republicans.

Mr. EDMONDS. I am going to accept the amendment.

Mr. FREAR. Well, of course, if the gentleman is going to accept the amendment, I will not pursue the matter further.

Mr. LINTHICUM. Mr. Chairman, let the amendment be read again.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent that the amendment be again read.

Mr. MONDELL. The amendment was read clearly. It is an amendment simply to strike out.

Mr. LINTHICUM. I could not hear in the confusion.

The CHAIRMAN. The amendment is to strike out paragraph (b) of the section.

Mr. EDMONDS. The amendment is to strike out paragraph (b), on page 2. So far as the committee are concerned, we are perfectly willing to accept the amendment.

The committee put it in for this reason—that the Shipping Board found itself in the position where it would be forced to advertise every time a man made a request for a ship. That took time—a large amount of time. Sometimes a prospective purchaser found another ship, and the Shipping Board did not sell to him. This is not vital to the bill, and it makes no difference to the committee. We are perfectly willing to accept the amendment.

I want to say further that we are having prepared an amendment that will take the industrial ships, like those of the Standard Oil and the United States Steel, away from being the recipients of any subsidy.

This matter was taken up with five or six of the Republicans in the committee who drew the bill, and, although we deemed that it is absolutely vital for war purposes that we should have these ships, however it seems to be the sentiment of the House that we are not going to have any more wars and that we do not need the ships. I will offer an amendment to take that compensation out of the bill.

Mr. LONDON. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. LONDON. Does not the expression, "public or private competitive sale," on the first line of page 2, comprise the very language that paragraph (b) was intended to provide for?

Mr. EDMONDS. As I understand it, they invite 10 or 15 people who are likely to purchase a ship. When a man comes in and asks for a ship they will invite 10 or 15 people who are likely to purchase the ship and make a private competitive sale for it. In other words, they will auction it off.

Mr. WHITE of Maine. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. I do not want the House to be laboring under a mistake. Outside of the tankers we have got 1,200 ships, of 9,059,000 tons—dead-weight tons. Twenty-eight and five-hundredths per cent of those vessels are of the lake type; 14.07 per cent of the dead-weight tonnage of those vessels are of the lake type. I am trying to give you information. So far as the committee is concerned we will accept the amendment and be prepared to go on.

Mr. WHITE of Maine. Mr. Chairman, I wish to say a word in behalf of myself and others who are somewhat responsible for this provision going into the bill. One of the considerations favoring its insertion is the one expressed by the gentleman from Pennsylvania. There has been a fear expressed over and over again that a few localities and a few interests would acquire these ships if they were put up to competitive bids to the exclusion and prejudice of other localities. There is a provision of the bill under which certain areas are sought to be taken care of, a provision looking to maintenance of existing lines.

A further reason for this provision was that these localities that have existing lines under this provision might acquire these ships notwithstanding, for instance, New York, Philadelphia, or Boston interests might be willing to come in and outbid them at a competitive sale. We were seeking by this pro-



vision to make an equal distribution of these ships throughout all the territory of the United States.

Mr. HARDY of Texas. Mr. Chairman, the gentleman has come to the latter part of the game. I would like to be heard a moment on this same amendment.

The CHAIRMAN. The gentleman's time has expired.

Mr. MONDELL. The debate is exhausted on the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas can make a proper motion.

Mr. HARDY of Texas. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas moves to strike out the last word.

Mr. HARDY of Texas. Mr. Chairman, just in order to keep the record straight I wish to say that in this committee the minority members tried their very best to have this section of the bill stricken out, and we went back to the act of 1920, the Jones Act, which required advertisement and competitive bids, and we insisted that these ships should not be sold except after due advertisement under competitive bids, and the majority of the committee then refused to accept our proposition. But I note that they now have come to terms.

We shall move later to strike out and go back to the act of 1920. Not only is this paragraph subject to objection but I am glad to see that on this day the wakening interest of the people is causing the gentleman from Pennsylvania [Mr. EDMONDS] to accept one amendment in the interest of the honest administration of this law, if it is to be passed. [Applause on the Democratic side.]

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn in opposition to this amendment.

Mr. MONDELL. Mr. Chairman, it may be proper that this amendment should go out. And yet, speaking from the technical standpoint, it may be proper that it should stay in. If it is necessary for the corporation to do business there ought to be a provision of this sort. Unfortunately you can not—and you can not largely because of partisanship and partisan criticism—conduct these transactions as they would be conducted by private parties. If the ships were sold under a provision of this sort and the sale were ever so proper and legitimate, even if it were just what should be done, it would afford the opposition the opportunity to criticize.

I think we should not leave anything in this bill which by any possibility can give anyone an opportunity to say that we are not in an honest, straightforward, aboveboard way trying to make possible the carrying of the American flag on the high seas. Of course this board ought to have some discretion; and yet, being a Government board, as matters go in this country, we can not give them that discretion without involving criticism. Therefore the provision ought to go out.

The CHAIRMAN. The question is on agreeing to the amendment.

The question being taken, the amendment was agreed to.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. DAVIS of Tennessee: On page 2, line 13, after the word "conditions," strike out the following words: "including the use or disposition of the vessel by the purchaser."

Mr. DAVIS of Tennessee. Mr. Chairman, the provision which I propose to strike out is one of the innumerable provisions in this bill conferring upon the Shipping Board extraordinary power and discretion. The bill as it reads authorizes them to sell at such prices and on such terms and conditions as they may prescribe, "including the use or disposition of the vessel by the purchaser."

Now, if an American citizen desires to buy one of these ships and is able to buy it and pay for it, why should the Shipping Board be given the right to say what he shall do with it, or whether he shall operate it or where he shall operate it, or whether he shall sell it to some other American citizen? There are provisions in the bill against the transfer to foreign registry and such things as that, but this provision which my proposed amendment would strike out simply gives the Shipping Board a power which they should not possess and a power by which they could work injustice to American citizens and favor other American citizens. My amendment ought to be adopted.

Mr. MOORE of Virginia. May I interrupt the gentleman for a moment?

Mr. DAVIS of Tennessee. Yes.

Mr. MOORE of Virginia. It is a fact, is it not, that this language which the gentleman is criticizing does not appear in the Jones Act?

Mr. DAVIS of Tennessee. It does not appear in the Jones Act. I want to say in this connection to the Members on the other side that the merchant marine act of 1920, known as the Jones Act, which this bill proposes to mutilate and in many particulars to destroy, was enacted by a Republican Congress, and the last Republican platform boasted of the wisdom of that act and of the fact that it would "insure the establishment and maintenance of an American merchant marine." And as was suggested by the gentleman from Virginia [Mr. MOORE], this provision which I propose to strike out changes the act of 1920 in that respect.

Mr. WHITE of Maine. Mr. Chairman, I rise in opposition to the amendment. I do not suppose anyone will question the legal right to sell conditionally anything that you may possess. The prime purpose of including this language here was much the same as that which prompted the provision which has just gone out of the bill. It was an effort to make certain that these ships owned by the Government should be equitably distributed throughout the ports and localities of the United States. We were moved by the desire to make certain, if it could be done by law, that if there were a fleet of vessels or a single vessel moving, we will say from Baltimore to Chile or from Galveston to Habana, or from any other port to a foreign port, if those vessels were sold the United States might say to the purchaser, "You have got to maintain the service which the people of that particular locality are now enjoying." It is a provision put in the bill in the interest of the whole United States—in the interest of the ports of the Pacific, the ports of the Gulf, the ports of the Atlantic—to make sure that the people dwelling in those localities shall have an adequate shipping service. That is the only reason for putting it in, and that is the reason why it ought to be left in the bill.

Mr. SNELL. Will the gentleman yield for a question?

Mr. WHITE of Maine. Yes.

Mr. SNELL. If this provision should be stricken out of the bill what would hinder a man who is now operating a Government ship buying it at a very low figure, with the intention on our part that he should continue it in that service, and then turning around and selling it to some foreign purchaser?

Mr. WHITE of Maine. There would be the general provision of law against the sale to foreign interests without consent, but there would be no provision of law which would compel a man to keep that ship in a desirable service. This provision is entirely for that reason.

Mr. BRITTEN. Will the gentleman yield for a question?

Mr. WHITE of Maine. Yes.

Mr. BRITTEN. Is it not also intended to prevent destructive competition?

Mr. WHITE of Maine. I do not know what some other persons may have had in mind with respect to that, but that was not what was in my mind. I can only repeat what I said, that my thought was that we ought to maintain so far as possible by law existing services, and we ought to create services elsewhere if it was desirable to do so, and we thought this provision made it possible in some degree, so far as law can do those things, the bringing about that result.

Mr. DAVIS of Tennessee. Will the gentleman yield?

Mr. WHITE of Maine. I yield to the gentleman from Tennessee.

Mr. DAVIS of Tennessee. I want to ask the gentleman from Maine if it is not a fact that the purpose and effect of the provision would be that the Shipping Board could prevent competition by withholding the sale of ships wherever and in whatever cases they desired to do so?

Mr. WHITE of Maine. I think they can always refuse to sell ships, and that this provision does not affect that situation at all.

Mr. MONDELL. Mr. Chairman, no provision in this bill is more essential or more important than the one which the gentleman from Tennessee [Mr. DAVIS] desires to strike out. If it were stricken out it might happen that every line running from southern ports would be discontinued. It might happen that no line would be permanently continued except a few great steamship lines. It might happen that the service absolutely essential to make the American merchant marine valuable—that is, a regular service from given ports in the United States to given ports abroad—might be abandoned and that we should have nothing except a tramp merchant marine, depriving us of that service which is above all the most essential service, service at stated times from all of the great ports of the country to the peoples with whom we have commerce.

I can not understand how anyone at all favorable to this bill, desirous of building up an American merchant marine, could approve or even suggest the amendment that has been offered by the gentleman from Tennessee. Under it the entire purpose of the bill might be defeated, and if we had a fleet at all it might be that the entire fleet would be largely engaged only in the more remunerative lines of commerce. The smaller ports, the American small harbors having a small amount of commerce, might, if this were stricken out, be entirely deprived of all service under the American flag.

Mr. HARDY of Texas. Mr. Chairman, I wish to answer what has been stated. The trouble with this provision in the bill, and the purpose declared by the two gentlemen who have just spoken, is that it is the purest camouflage. Nobody is more interested than I, and the gentleman who has offered this amendment, in the preservation of the shipping lines in the service of the smaller ports which we hope will be bought and continued in the service of the smaller ports by the people of such ports who will not desire to sell them. But when you attach this provision and limitation to the sale of a ship you will let every little man who wants to invest know that his head is in the lion's mouth, that his paw is in the trap, and that the power of life and death is given to the Shipping Board over his property which he buys and would like to pay for.

It is known further that the big corporations in this country do not have the same fear, because they have influence with the public and with the board to secure permission to sell the ships they might buy. The little investor will go to the Shipping Board as a prospective buyer of ships, but he knows "if he buys this ship they will hold him for all time, not for one year, not for five years, but during all time; they will not permit him to sell that ship." Do you not know that if that is done you will prevent any little man from buying? If the gentleman thought the omission of that would crush southern ports, does he think that in the Jones Act we would have omitted it and sought to crush the southern ports? We did not put it in because we wanted an honest sale, and we provided for a fair valuation and a fair price for the ships, which can only be had by giving a clear title to a ship when you sell it. With this restriction on the title and use of the ships you can not sell them except to the big corporations, knowing they will not be prevented from disposing of the ships.

Mr. DAVIS of Tennessee. Will the gentleman permit a suggestion?

Mr. HARDY of Texas. Yes.

Mr. DAVIS of Tennessee. Is not that specially true in view of the fact that Mr. Lasker stated at the hearings that it would be the policy of the board to require a cash payment to the amount of 80 per cent?

Mr. HARDY of Texas. That is the policy of the Shipping Board, and the ships will be sold to the big interests; they do not favor the little purchasers, and this clause will prevent the little purchaser from buying.

Mr. CHINDBLOM. Mr. Chairman, perhaps a word should be said in the opening of the debate on amendments with reference to the attitude of the committee. Of course, we do not claim that this is a perfect bill or a perfect proposal for legislation. We do say, Mr. Chairman, that the committee has spent many months of hard labor on the bill and thinks it will accomplish the purposes intended.

There are two purposes intended; one is to sell the ships now controlled and operated by the Shipping Board and get them into private hands. The second and larger purpose is to establish an American merchant marine in all the trades and lines where we have a commerce. I am surprised that the gentlemen representing the Gulf States should object to this proposition. The people from the Gulf of Mexico were among those who appealed for protection in the sale of these ships. The people on the Pacific coast were among those who appealed for protection in the sale of these ships. They wanted an opportunity to buy the ships and they wanted the assurance that the ships would be retained on the Gulf and on the Pacific Ocean and in the South Atlantic ports.

Mr. BANKHEAD. Will the gentleman yield?

Mr. CHINDBLOM. Yes.

Mr. BANKHEAD. The gentleman has expressed a good deal of solicitude about the trade in the Gulf and South Atlantic ports. Why was not he willing to accept the request of the representative from those interests that section 7 of the Jones Act should be allowed to remain as it is?

Mr. CHINDBLOM. Does not the gentleman from Alabama know that the representative agreed to the provisions in this bill?

Mr. BANKHEAD. I do not know it, and we will show that when we reach the section.

Mr. CHINDBLOM. Mr. Chairman, speaking for myself, we are anxious to have constructive criticism and constructive amendments, but we do not think we should yield to those gentlemen who propose to kill the bill and kill the legislation and who will not vote for it no matter what you do. [Applause.] You may adopt every amendment suggested by the gentleman from Tennessee, and when you are all through I doubt if he will vote for the bill. If the friends of the bill come forward and make the proper suggestions and offer proper amendments, this committee will listen attentively and receptively to any such suggestions. This provision is an essential portion of this legislation if we are to maintain an American merchant marine and preserve our trade in the sections of the country where that is necessary, and the provision should be retained in the bill.

The CHAIRMAN. The question is on the amendment.

Mr. FREAR. Mr. Chairman—

The CHAIRMAN. Debate has been exhausted on the amendment.

Mr. FREAR. Mr. Chairman, I move to strike out the last word. I want to say in answer to the gentleman who has last spoken that I understand him to say that only amendments will be permitted to this bill coming from those who are recognized friends of the bill.

Mr. CHINDBLOM. I did not say that.

Mr. FREAR. I take it that there are many gentlemen on the floor who have not yet determined in their own minds what their course will be. I think there are such Members on both sides of the House. I understand by statements made by members of the committee that there are 1,400 ships now held by the Government and 13 are in commission under the Shipping Board.

Mr. CHINDBLOM. There are 400 ships out of the 1,298, outside of the tankers.

Mr. EDMONDS. I can give the gentleman the figures.

Mr. FREAR. I will assume the statement made by the gentleman from Illinois is correct. Is there danger that the 1,000 ships are going to be taken over by certain interests, so as to prevent the whole country or every port in the United States from being taken care of? That is the question in my mind on this particular amendment. In whose power will you put it to determine where these boats are going? Mr. Lasker's? Mr. Lasker is the publicity agent and concedes that he is not acquainted with the merchant marine service, I understand.

Mr. EDMONDS. Mr. Chairman, will the gentleman yield?

Mr. FREAR. In a moment. Here are a thousand ships unsold, and you want to sell them. We want to sell them to anyone who will buy them. You say that some of them are to be given away. Let us try to sell them if we can, and do not let us give all of the power to this commission, so that they can say that the ships shall go to a Gulf port or to a seaport in the Orient, or elsewhere. Let us say that these ships are for sale, and before the thousand now unsold are exhausted it may be we will come back here and control the rest, if we find there is no provision for Gulf ports about which the gentleman seems to be so anxious.

Mr. EDMONDS. Right in that connection with this amendment, let us presume that there is a line running out of Galveston or some southern port, and that somebody comes in from New York having more money than this line has, who wants to buy a number of ships to put into competition with that line. We used the term:

including the use or disposition of the vessel by the purchaser—

Mr. FREAR. Then that would remove the competition to which the man who ships is entitled. You are by this provision attempting to give a subsidy, and you are trying to destroy competition or putting it in the hands of Mr. Lasker to do it. I do not think that is good Republican doctrine; it is not good American doctrine.

Mr. WHITE of Maine. Mr. Chairman, will the gentleman yield?

Mr. FREAR. Yes.

Mr. WHITE of Maine. As I understand the situation, it is this. I want to talk on the point that the gentleman is discussing.

Mr. FREAR. Just ask the question. That is all I care to say on this amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The question was taken; and on a division (demanded by Mr. DAVIS of Tennessee) there were—ayes 52, noes 90.

So the amendment was rejected.



Mr. SEARS. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. SEARS: Page 2, line 1, after the word "public" strike out the words "or private."

Mr. SEARS. Mr. Chairman, on the 20th of this month this bill was introduced and on the 21st was reported, and Members of Congress could not get the bill, consisting of 63 pages and involving about \$6,000,000,000 worth of property, until the following day. The President of the United States on the 22d came before Congress and addressed us, and at that time urged us to pass this bill. Therefore, I presume the President knew what the bill contained. All last week the chairman of this committee and those who he states are friends of the bill fought for the bill as it stands. I want to congratulate those on the Republican side for getting a softening of the heart and at least accepting some amendments, such as the amendment offered by the gentleman from Indiana, and also indicating that later on they would offer amendments eliminating the Steel Co. and the Standard Oil Co. Why this change of front and of heart perhaps some day the people will know.

I was struck by the remarkable statement of the chairman of this committee. He said that Mr. Lasker and this board will call in 1 or 2 or 12 or 15 men, who want to buy ships, and will let them bid on the ships, sitting around the table. Who are those 12 or 15 men that are going to be called in by Mr. Lasker? I read before I left home to attend this session for the purpose of considering this bill that a corporation was being formed for the purpose of buying these ships. The President has said that we wantonly, wastefully, and madly expended money during the war. Mr. Chairman, we are now about to wantonly and wastefully waste the people's money and fasten on them, and I fear their children's children, a tax to meet this subsidy, by this hasty legislation. These sales should only be at public sale, where each American citizen will have the right to bid on the ships, and no man should have the right to call in 10 or 12 or 15 of his friends and let them sit around the table and go through the farce of bidding on these ships. Those of us who have been in public life and have seen these private sales know what they mean. We know that the little man who wants to buy a vessel will never get a chance to bid upon it. We know who are going to finally get these ships, although we have been unable to find out during the debate, and I want to again congratulate my Republican friends upon their repudiation of the President of the United States by admitting that the bill he urged us to pass was not properly drawn; that it is subject to amendment, and that we should amend it. I hope the chairman will also accept the amendment which I have offered in order that no one man—and I mean no reflection on Mr. Lasker, we do not know who will be the guiding spirit when these sales are made—shall have the right to invite a few friends to sit around a table and go through the farce of bidding on these vessels. Let each and every American citizen have the right to bid on these vessels at public sale, and then the people can not complain.

Mr. EDMONDS. Mr. Chairman, all I want to say in answer to the gentleman is that this is existing law and it has worked satisfactorily. There has been none of the scandal that occurred during the Democratic administration of the Shipping Board. All parties in interest have been notified. This has been done right along. There is no real reason for taking it out of the bill. It is in the Jones Act and has worked satisfactorily for two years.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. When the amendment was offered by the gentleman from Illinois [Mr. GRAHAM] to strike out subdivision (b), it was, I take it, unanimously stricken from the bill.

Mr. WHITE of Maine. Oh, I voted against it.

Mr. BLANTON. The gentleman from Maine is the only vote that I know of who was against it. It was repugnant to the sensibilities of the House that that provision should stay in the bill.

Mr. CHINDBLOM. There was another thing that was against it.

Mr. BLANTON. Yet at the time that amendment was offered it remained for the gentleman from New York [Mr. LONDON] to call attention to the fact that the very power that we were seeking to take away from the Shipping Board was yet in the bill, in the language of the preceding paragraph. There is no question but that the vice of subdivision (b) is still in this bill, and the amendment by the gentleman from Florida [Mr. SEARS] will strike it out, and it ought to be stricken out. You say that there ought to be private sales without real advertisement and without public competition.

There was read into this RECORD the other day by the gentleman from Tennessee [Mr. DAVIS] an article that appeared in last week's New York Tribune, showing that two officers of the Shipping Board who are now out of the people's Treasury drawing each an annual salary of \$35,000 are forming a syndicate to buy the 13 boats that are now in operation and which are making some profit.

Mr. EDMONDS. Will the gentleman yield?

Mr. BLANTON. They are to buy these boats. How? Buy them in open competition with the shipping interests of the world? No. I take it if they are to buy them the Shipping Board would give them the same privilege of buying them at this private sale they would give anyone else. We have a spectacle of these \$35,000 a year members of the Shipping Board sitting around the table and buying these 15 ships without real competition.

Mr. SNELL. Will the gentleman yield?

Mr. BLANTON. I will.

Mr. SNELL. I do not understand the provisions of this section as the gentleman does, and I wondered if the gentleman or myself was wrong. It means private competitive sale—get the real meaning of the bill.

Mr. BLANTON. The gentleman has probably in the course of his experience heard of competitive sales where there was no real competition, where competition is arranged beforehand, where there are but two bidders and both friendly so far as their interests are concerned, unknown to the seller. That could be the competition.

Mr. SNELL. Will the gentleman yield further?

Mr. BLANTON. I will yield.

Mr. SNELL. Why not take the whole line in the consideration of the amendment? It does not mean the same to me as to the gentleman, and I am perfectly honest, and I believe the gentleman is. It says, "private competitive sale after appraisalment and due advertisement."

Mr. BLANTON. The Shipping Board—

Mr. SNELL. Come down to what is in the bill and be honest.

Mr. BLANTON. I am going to be honest with the gentleman. The Shipping Board appraises those 15 boats—

Mr. SNELL. And due advertisement.

Mr. BLANTON. Just a moment. It does not provide real advertisement.

Mr. SNELL. Then I can not read. Take the bill and read it.

Mr. BLANTON. Except to specify—

Mr. SNELL. After appraisalment and due advertisement.

Mr. BLANTON. What is due advertisement? [Laughter.] Does it mean it is in open shipping journals in the United States?

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLANTON. I have been interrupted and I ask for five additional minutes.

The CHAIRMAN. Is there objection. [After a pause.] The Chair hears none.

Mr. SNELL. Will the gentleman yield?

Mr. BLANTON. Just a moment.

Mr. SNELL. Come to a consideration of the bill.

Mr. BLANTON. One question at a time and I will answer the gentleman.

Mr. SNELL. That is all I ask.

Mr. BLANTON. They advertise in some little insignificant paper down at Norfolk—

Mr. SNELL. Is that due advertisement?

Mr. BLANTON. Or at Richmond, that they are going to sell certain boats at private sale. No one knows about the inside agreements.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. BLANTON. In a moment. These \$35,000 a year shipping experts with some friends come in and sit around a table, and one offers an insignificant sum, such as was offered when the first boats were put on sale, of \$1, and these experts then make their offer. Now I yield.

Mr. HARDY of Texas. In the hearings before this committee the chairman of the Shipping Board appeared, and he said he had taken a total roster of all the ships they had; that they had appraised them and advertised; and they considered that that appraisalment and advertisement was a compliance with the existing law when hereafter they sought to sell a ship.

Mr. BLANTON. That answers the gentleman from New York [Mr. SNELL]. I want to say to the distinguished gentleman from Illinois [Mr. GRAHAM], who is sincere, if he wants to see the people's interests are safeguarded, I want to say to him that if he expects to protect the people's interests in this bill he should stand here and insist on these words authorizing private sales going out of this bill, because under the bill



with those words left in you are going to find just such sales made under simulated competition. The distinguished gentleman from Illinois is an expert lawyer; he has been around courthouses for years; and he knows that in many instances there has been an apparent competition, there has been an apparent advertisement, there has been an apparent due notice, and yet there is no competition whatever concerning the sale of property in large amounts. I want to say he ought to stand up and insist upon those words going out if he is still sincere in wanting to protect the interests of the people.

Mr. MONDELL. Mr. Chairman, of course the gentleman who has occupied 10 minutes time would not vote for the bill if this amendment or any other amendment—

Mr. BLANTON. The gentleman has me right.

Mr. MONDELL. Were agreed to. He is against the bill, against the principle of the bill, against the method of making the bill, and he would be against the bill under any and all circumstances. I am not surprised at gentlemen on the Democratic side being disturbed for fear something will not protect the public interest. We have had enough examples of that sort of thing during their administration to put anyone in a frame of mind to be suspicious. But, Mr. Chairman, we expect the gentlemen who are in charge of these important affairs for the Government to be honest, conscientious men, trying to do their duty. Objection is made to the use of the word "private" or "private competitive sale." I do not think that it is the happiest phrase that could be employed, but what it intends to cover is the sale under sealed bids. This is the provision of the existing law. The gentleman was here when the Jones Act was adopted, and he seemed to have no difficulty about it then. If this word was stricken from the bill, the only way the sale could be made would be by public auction. Every one familiar with sales of this sort knows that there must be other ways of selling than by public auction. There must be sales under sealed bids and that sort of thing which is described here.

Cries of "Vote!"

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Florida.

The question was taken, and the amendment was rejected.

Mr. HARDY of Texas rose.

The CHAIRMAN. For what purpose does the gentleman from Texas rise?

Mr. HARDY of Texas. I rise to strike out section 1 of the bill.

The CHAIRMAN. The gentleman from Texas moves to strike out section 1 of the bill.

Mr. GRAHAM of Illinois. Mr. Chairman, I have an amendment to perfect the section.

The CHAIRMAN. That would be in order before action is taken. The gentleman from Texas has the floor on his amendment if he desires it.

Mr. HARDY of Texas. I shall discuss my amendment, then, and later on—

Mr. FREAR. Mr. Chairman, I wish to offer a perfecting amendment.

Mr. HARDY of Texas. As I understand the ruling of the Chair, I may offer my amendment now, and it will wait until the perfecting amendment has been acted upon?

The CHAIRMAN. Yes.

Mr. HARDY of Texas. I would like to ask unanimous consent to proceed for 10 minutes on this motion.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for 10 minutes. Is there objection?

Mr. GREENE of Massachusetts. I object.

The CHAIRMAN. Objection is made. The gentleman from Texas is recognized for five minutes.

Mr. HARDY of Texas. Mr. Chairman, I am sorry that there has been an objection, because I want to present at some length my reason for offering the motion to strike out this section. It is an amendment to section 5 of the Jones Act. Section 5 of the Jones Act and section 7 of the Jones Act laid down the policy upon which the Republican Party went before the people in 1920 with reference to the merchant marine. I want to read to you section 5 of the Jones Act, which is being amended, emasculated, and destroyed by this bill. Section 5 of the Jones Act provides:

That in order to accomplish the declared purposes of this act, and to carry out the policy declared in section 1 hereof, the board is authorized and directed to sell, as soon as practicable, consistent with good business methods and the objects and purposes to be attained by this act, at public or private competitive sale after appraisement and due advertisement, to persons who are citizens of the United States except as provided in section 6 of this act, all of the vessels referred to in section 4 of this act or otherwise acquired by the board. Such sale shall be made at such prices and on such terms and conditions

as the board may prescribe, but the completion of the payment of the purchase price and interest shall not be deferred more than 15 years after the making of the contract of sale.

Then section 5 continues:

The board in fixing or accepting the sale price of such vessels shall take into consideration the prevailing domestic and foreign market price of, the available supply of, and the demand for vessels, existing freight rates and prospects of their maintenance, the cost of constructing vessels of similar types under prevailing conditions, as well as the cost of the construction or purchase price of the vessels to be sold, and any other facts or conditions that would influence a prudent, solvent business man in the sale of similar vessels or property which he is not forced to sell.

Very carefully this bill now under consideration eliminates every restriction placed upon the Shipping Board which requires them to get some fair price for these ships. The bill places them in an attitude where they might sell these ships as junk, for a song or a trifle, even though the United States is not forced to sell. The whole policy of the Government is changed by this bill from section 5 of the Jones Act. And you should bear in mind, gentlemen, you on that side, that section 5 of the Jones Act was by your convention at Chicago, when you nominated Mr. Harding, declared to express the policy of the Republican Party with reference to maintaining a merchant marine.

And when you get to section 7 of the Jones Act you will find that the words sought to be stricken out of this bill by my friend from Tennessee is intended to repeal that section. Section 7 of the Jones Act declares that if the Shipping Board could neither sell those ships for what they were worth or charter them for what they were entitled to bring, then the Government could operate the commercial lines necessary to the welfare of this country until they had demonstrated the feasibility of such lines and then they could sell at a fair price.

Gentlemen, if you adopt section 1 of this bill, you are blotting out section 5 and section 7 of the act which you once approved by your votes in this House in 1920 and which you approved by the declaration of your party platform, and you abandon what you went to the people on, and you adopt another policy by which you place an unlimited power in the Shipping Board to sacrifice every ship the Government owns and to sell at a song that which cost our people \$3,000,000,000 and which you could not replace to-morrow for less than \$75 a ton. They propose to sell them at an average of \$20 per ton. You could not replace these ships for \$75 a ton. There are a great many passenger ships among them. You know you could not replace them for \$75 a ton.

This law upon which you went to the country required that you should sell those ships for something like what they were worth. That law provided also that you should consider what they could be rebuilt for when you went to price them. You should consider the world prices, and then if the shipping interests undertook to hold up the Shipping Board by refusing to bid, that law requires that the Shipping Board shall operate these ships along desirable lines until they do establish the feasibility of maintaining those ships in operation.

Yes; there is an offer now, I understand, to buy the United States Line, which is being operated by Mr. Rossbottom. Just as fast as the Shipping Board puts a successful line in operation you are going to find a private interest coming in to buy, and then the Shipping Board may sell them for a song, may sell them for whatever they please. Are you in favor of that?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GRAHAM of Illinois. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

Mr. BRIGGS. Mr. Chairman, the other amendment, offered by Judge HARDY, is still pending for debate, is it not?

The CHAIRMAN. It is open to debate. The gentleman from Illinois [Mr. GRAHAM] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GRAHAM of Illinois: Page 2, line 19, after the word "than," strike out the figure "4" and insert in lieu thereof the figures "4½."

Mr. GREENE of Massachusetts. Mr. Chairman, I will accept the amendment.

Mr. FREAR. Mr. Chairman, I wish to offer a perfecting amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois [Mr. GRAHAM].

The amendment was agreed to.

Mr. FREAR. Mr. Chairman, on line 19 I move to strike out the words "a rate of not less than 4½ per cent," according to the present amendment, and insert simply the figure "6."



The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FREAR: Page 2, line 19, strike out "a rate of not less than 4½" and insert in lieu thereof the figure "6."

Mr. SANDERS of Indiana. Mr. Chairman, I make the point of order that that is not in order, because the committee has just passed an amendment fixing the number. You can not offer to strike out a number and insert another number.

Mr. FREAR. I will abide the ruling of the Chair. If the Chair holds this amendment out of order, then I will offer another.

The CHAIRMAN. If the amendment of the gentleman from Wisconsin simply struck out the language that was inserted it would not be in order; but it proposes to strike out other material language, and therefore the Chair overrules the point of order.

Mr. FREAR. My reason for offering this amendment is this, Mr. Chairman: It seems to me we are to act intelligently here. I hope so. Even though the members of the committee believe this is a proper bill to put through, in present form, I ask you in all fairness, what law there is to-day that puts in the hands of any man or any set of men the right to determine in their own judgment the rate of interest that may be charged?

Mr. WHITE of Maine. Will the gentleman yield?

Mr. FREAR. Yes.

Mr. WHITE of Maine. The existing law authorizes the Shipping Board to take any rate of interest they see fit.

Mr. FREAR. Then that is the only board which does that, to my knowledge. That being so, it seems to me we should state positively in the statute in this case, as we do in every other case, as the law does when dealing with foreign loans, what the rate shall be, so fixed that the board can not change it. We ought to fix the rate. Whether it is 4½ or 6 per cent is a secondary consideration; but why should we place in the hands of a set of men the right to say to the gentleman from Wyoming, "You can have this at 4½ per cent," and to the gentleman over here on my right, "You may have it at 10 per cent"? Why place that discretion in the hands of anyone. And where have you ever done it before?

Mr. MONDELL. On the foreign debt the limitation is not less than 4½ per cent.

Mr. FREAR. We fixed it there because of the rate at which we sold the Liberty bonds. I tried to put through on the floor the very amendment mentioned fixing the interest rate and you voted against it. Now, I ask you to vote the restriction so that it will not be in the hands of two or three men or five men to say that the rate of interest to one man shall be 10 per cent and to another 4½ per cent. Let me say in addition that 6 per cent is the rate. That is the rate the average man out in my country pays on his loans. Why are you putting it at 4½? I ask that you treat all alike.

Mr. WHITE of Maine. Will the gentleman yield?

Mr. FREAR. Yes.

Mr. WHITE of Maine. It is because of the existing law.

Mr. FREAR. I do not care about the existing law. Let me say that I do not believe one man on this floor, outside of your committee, knows what the existing law is. When the bill was put through some of these matters of taxation were not known to the Members, and I question whether the members of the committee themselves could explain to the satisfaction of the House the meaning of these taxation propositions claimed to be in existing law. We are dealing with the bill before us. We are fixing a law that is going to control the loaning of \$125,000,000, and I say we ought to fix the rate of interest positively, and fix it at the ordinary rate paid in the West, and not grant special favors as is done in this bill.

Mr. BRIGGS. Is it not true that the President in his message to Congress last week expressly condemned the existing law for not fixing a definite rate with reference to the interest upon construction loans, stating that it left it open to the whims of favoritism?

Mr. FREAR. That is the position that I assume ought to be taken in regard to this bill.

Mr. WHITE of Maine. Mr. Chairman—

The CHAIRMAN. The time of the gentleman has expired. The question is on agreeing to the amendment offered by the gentleman from Wisconsin [Mr. FREAR].

The question being taken, the amendment was rejected.

Mr. BRIGGS. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman from Texas rise?

Mr. BRIGGS. To debate the amendment.

Mr. MONDELL. Is the gentleman in favor of the amendment?

Mr. BRIGGS. I am in favor of the amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BRIGGS. I move to strike out the last word.

Mr. MONDELL. I think we ought to have a vote on the amendment.

Mr. BRIGGS. The amendment I am referring to is not the one that has been passed on. It is the amendment pending.

The CHAIRMAN. The question is on the amendment of the gentleman from Texas [Mr. HARDY] to strike out the entire paragraph. To that the gentleman from Texas [Mr. BRIGGS] offers a motion to strike out the last word. The gentleman is recognized for five minutes.

Mr. BRIGGS. Mr. Chairman, as I understand it, the Frear amendment has been voted on.

The CHAIRMAN. The amendment pending is the amendment of the gentleman from Texas [Mr. HARDY].

Mr. BRIGGS. Mr. Chairman, under section 5 of the existing Jones law there is nothing to prevent the Shipping Board from selling the fleet to-day at any price it chooses consistent with good business judgment. When the question came before your committee of striking out of it the safeguards now contained in section 5 the question was asked repeatedly why the Shipping Board should be relieved of all responsibility when they can already sell the fleet for any price they desired. But, my friends, the testimony developed that when bids were invited for this great fleet last February the bids which were received were so hopelessly inadequate that the chairman of the Shipping Board called them facetious. The witnesses before the joint committee testified that there was no sale for the ships; and yet advocates of this subsidy insisted that the Government should sell the ships as soon as possible, although in the same breath they admitted that there was no market for the ships.

What is the meaning of this amendment to this act which is now contained in the bill? It can mean only one thing. It is to give to the Shipping Board the impression that Congress did not want them to observe prudence and good business judgment any longer, but wanted them to sell the ships at all hazards, no matter if they were sold for \$5 apiece or 5 cents apiece. That can be the only reason. It can be the only effect of this amendment. My friends, I am persuaded that when you take this safeguard out of the bill you will never get \$200,000,000, even for a fleet of 10,000,000 tons of ships, but will sacrifice it for a mere pittance and then pay the syndicate that acquires it a tremendous subsidy based not upon the sacrifice purchase price but upon the cost of new construction. The motion of Judge HARDY should prevail.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas [Mr. HARDY].

The question being taken, on a division (demanded by Mr. HARDY) there were—ayes 37, noes 69.

Accordingly the amendment was rejected.

Mr. LEHLBACH. Mr. Chairman, inasmuch as section 3 has been stricken from the bill, I offer the following amendment:

Page 2, line 12, strike out the letter "c" and insert "b"; page 3, line 1, strike out the letter "d" and insert "c."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. LEHLBACH: Page 2, line 12, strike out the letter "c" and insert "b"; page 3, line 1, strike out the letter "d" and insert "c."

The CHAIRMAN. Without objection, the amendment will be agreed to.

There was no objection.

Mr. STEVENSON. Mr. Chairman, I offer the following amendment:

The Clerk read as follows:

Page 2, line 1, after the word "sale" insert the words "under sealed bids."

Mr. STEVENSON. Mr. Chairman, as the bill has been left the provision enables them to assemble around the table when many of the people who want to buy will not be there, and shade their bids in order that certain people can acquire ships, while the people who are not there have no opportunity to shade their bids. If they are going to sell at private sale under competitive bids they should be sold by the bids that have been made, and not on the bids that may be jockeyed after they have gathered there.

The gentleman from Pennsylvania [Mr. EDMONDS] a while ago said that they had decided that they were going to undertake to remove from the bill the provision giving a subsidy to the Standard Oil Co. and other great interests of that character. If you allow them to buy these ships at just such a figure as they see fit to make, they do not care very much whether they get a subsidy or not, because, after they have acquired the ships at such a price as they want, you have left in the tariff bill a provision that when the shipbuilder imports the materials of which he builds the ship—and the gentleman

from New York [Mr. CHANDLER] made the statement that they could buy them cheaper abroad—if he sells the ship to a foreigner the Treasury will give him a rebate on all the tariff he paid on the material. If he sells it to go under the American flag he sells it loaded, so you have made it impossible for the cheapest method of getting ships to be followed, except to get them by these bids, and I am in favor of hedging it about so that nobody can acquire them by method of favor, or by jockeying of bids after they get around the table, when other competitors can not get there.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The question was taken; and on a division (demanded by Mr. STEVENSON) there were 26 ayes and 69 noes.

So the amendment was rejected.

Mr. MONDELL. Mr. Chairman, I move that all debate on the section and all amendments thereto be now closed.

Mr. BLANTON. Mr. Chairman, I have a perfecting amendment that I want to offer to the section.

Mr. HARDY of Texas. Mr. Chairman, does the adoption of this motion cut off amendments to the section?

The CHAIRMAN. It does not. It cuts off debate. The question is on the motion of the gentleman from Wyoming that all debate on this section and all amendments thereto be now closed.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 66 ayes and 28 noes.

So the motion of Mr. MONDELL was agreed to.

Mr. BLANTON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 2, line 23, after the word "moment," insert the words "together with an equal annual payment of the consideration price."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was rejected.

Mr. MOORE of Virginia. Mr. Chairman, I offer an amendment, and I would like to ask the attention of the chairman to the reading of it.

The Clerk read as follows:

Page 2, line 2, following the words "due advertisement," insert the words "hereafter published."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken, and the amendment was rejected.

Mr. HARDY of Texas. Mr. Chairman, I offer the following amendment:

At the end of section 1 insert the following: "The board in fixing or accepting the sale price of such vessels shall take into consideration the prevailing domestic and foreign market price of, the available supply of, and the demand for vessels, existing freight rates and prospects of their maintenance, the cost of constructing vessels of similar type under prevailing conditions, as well as the cost of the construction or purchase price of the vessels to be sold, and any other facts or conditions that would influence a prudent, solvent business man in the sale of similar vessels or property which he is not forced to sell."

Mr. Chairman, I take that language from the Jones Act.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

At the end of section 1 insert the following: "The board in fixing or accepting the sale price of such vessels shall take into consideration the prevailing domestic and foreign market price of, the available supply of, and the demand for vessels, existing freight rates and prospects of their maintenance, the cost of constructing vessels of similar types under prevailing conditions, as well as the cost of the construction or purchase price of the vessels to be sold, and any other facts or conditions that would influence a prudent, solvent business man in the sale of similar vessels or property which he is not forced to sell."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. HARDY of Texas) there were 35 ayes and 64 noes.

So the amendment was rejected.

Mr. OLIVER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. OLIVER: Amend section 1 by adding the following proviso: "Provided, however, That the ship known as the *Leviathan*, now being reconditioned, shall be not sold for a price less than the cost for reconconditioning said vessel."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. OLIVER) there were—ayes 54, noes 57.

Mr. GARRETT of Tennessee. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chair appointed Mr. OLIVER and Mr. EDMONDS to act as tellers.

The committee again divided; and the tellers reported—ayes 81, noes 78.

So the amendment was agreed to.

Mr. BLANTON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 2, line 25, insert the following after the word "security":

"Provided, however, That no employee of the Government shall in any way be interested as a vendee in any purchase made from the Shipping Board."

Mr. GREENE of Massachusetts. Mr. Chairman, there is no objection to that amendment.

Mr. MONDELL. That is the law already.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. (a) Section 7 of the merchant marine act, 1920, is amended by inserting after the first proviso thereof the following: "Provided further, That domestic communities primarily interested in such lines shall be understood to mean the geographical divisions of the coast lines of the United States known as the North Atlantic, South Atlantic, Gulf, and Pacific coasts, together with the particular ports from which such lines may run or be intended to run, and the territorial regions and zones naturally tributary to such ports and coastal divisions: Provided further, That the board shall not for the period of two years after the enactment of the merchant marine act, 1922, sell such vessels to persons other than those who have the support, financial and otherwise, of the domestic communities primarily interested in such lines:"

(b) Such section is further amended by adding at the end thereof a new paragraph to read as follows:

"It is hereby declared to be the policy of Congress to discourage monopoly in the American merchant marine, and, in pursuance of this policy, the board is directed, in the development of its sales policy, to continue as far as possible and practicable, subject to the provisions of this section, all existing steamship routes and regular services and to endeavor in every way to bring about the permanent establishment of such routes and services, and their retention, as far as possible, in the hands of persons having the support, financial and otherwise, of the domestic communities primarily interested in such routes and services. In carrying out the provisions of this section the board is directed to investigate fully all matters in connection therewith and to conduct hearings at which the persons interested in such communities may have the opportunity to express their views as to the course to be pursued by the board and the methods to be adopted in carrying out the policy herein prescribed."

Mr. DAVIS of Tennessee. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 3, line 7, after the word "mean," strike out the following: "the geographical divisions of the coast lines of the United States known as the North Atlantic, South Atlantic, Gulf, and Pacific coasts, together with."

Mr. DAVIS of Tennessee. Mr. Chairman, by striking out the words proposed to be stricken out by this amendment it will leave the definition to read as follows:

That domestic communities primarily interested in such lines shall be understood to mean the particular ports from which such lines may run or be intended to run, and the territorial regions and zones naturally tributary to such ports.

That would constitute a natural and a correct definition. The language which I propose to strike out is a "joker," and absolutely destroys the pretended purpose of the amendment in the bill. Why do I say that? Simply because the "geographical divisions of the coast lines of the United States" known, for instance, as the North Atlantic and the others specified, goes so far as to permit an absolute nullification of the definition which should be given for the protection of these trade routes. There are several steamship lines that operate boats out of the North Atlantic, the South Atlantic, and the Gulf, or out of two of those, and under the provisions here if they operated one boat out of the Gulf they would be authorized to purchase any boat operating out of any Gulf port, even though their office be in New York and they operated out of the North Atlantic also. Therefore, this joker is for the purpose of permitting certain big lines, with offices in New York, to gobble up some of those little lines operating out of the Gulf and the South Atlantic. The other side will be put to the test on whether or not they are in favor of that, whether they want to strike the joker out and leave the natural meaning. This is very important and has been agitated by the Middle West and the Northwest as well as the South by witnesses who have appeared before the committee and who say if it is not safeguarded they are against this bill. The Middle West Merchant Marine Association, the Mississippi Valley Association, and numerous other organizations have declared against the bill unless that section is reported as it should be by striking this out and adopting other amendments which will be offered.



Mr. GRAHAM of Illinois. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. GRAHAM of Illinois. I understood in a general way that the Mississippi Valley Association had suggested this language.

Mr. DAVIS of Tennessee. No. I will say to my friend that the gentleman from Alabama [Mr. BANKHEAD] will later offer the identical amendment that the Mississippi Valley Association and others have offered and asked the committee to adopt, and it is widely different in many respects from the language which was adopted by the majority of the committee. The majority of the Committee on the Merchant Marine and Fisheries recognized the importance of this, and in their report on this bill they used this language:

During the hearings, representatives of the Middle West and the South Atlantic expressed themselves as apprehensive that the sales policy of the board might be such as to vest control of the board's tonnage in the hands of monopolistic interests so as to work eventually to the detriment of the shippers of the Middle West, and possibly undo the work done by the United States Shipping Board in building up adequate services from all American ports. The committee recognized clearly the need of insuring that all sections of the country be afforded adequate water transportation facilities, and while believing that the danger of monopoly in cargo lines is not as great as is feared, nevertheless agreed that adequate guaranties should be incorporated in the bill to remove all doubt upon the point.

They have made a pretense of meeting the situation, but as any man can see by reading the language, the language which I propose to strike out absolutely destroys the very purpose which they claim to be wanting to serve. It could not be inserted for any other purpose than that which I have stated, and those who are in favor of protecting all of the ports, those who are in favor of protecting all of the trade routes, and especially those who are interested in protecting the South and also the great Middle West should vote for the amendment and protect and safeguard those sections from monopolistic interests.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. LEHLBACH. Mr. Chairman, the amendment offered by the gentleman from Tennessee [Mr. DAVIS], if adopted, would greatly embarrass, hamper, and restrict the effort to establish a merchant marine serving uniformly all sections of the country. As to the attitude of those persons who are interested in section 7 of the merchant marine act, and supplementary legislation provided for in this bill, I hold in my hand a letter dated June 13, 1922, signed by Mr. Malcolm Stewart, chairman of the Middle West Merchant Marine Association, which speaks for the interests of the shipowners of the Middle West very largely, and in a proposed amendment of section 7, which, in substance, is the amendment carried in this bill, they use exactly the same language in determining the meaning of "domestic communities primarily interested." The effect of the amendment of the gentleman from Tennessee would be not to allow service to a community, a geographical division, North Atlantic, South Atlantic, Gulf, and Pacific coasts, together with the ports from which said lines may run or be intended to run, but would restrict the effect of this limitation to every particular port from which at the present time a boat may run.

Manifestly situations may arise in the service from a particular port at which there is a boat at the present time which make it impracticable to continue the service. Section 7 as we have it prohibits, unless the line or boat is put in charge of persons or citizens of the community affected, any sale for two years, giving the people in the community and in that subdivision an opportunity to organize and to take over the operation of their foreign transportation. But to restrict the limitation to particular ports would seriously hamper and render difficult and embarrassing and at times impractical the effort to furnish adequate merchant marine service for all sections to all parts of the world. That is the idea of this bill.

Mr. BRIGGS. Mr. Chairman, I move to strike out the last word. The building up of all lines of service and trade routes from various ports of the United States is one of the prime features of the Jones law of 1920. It is specifically provided there that these lines shall be built up and established, so that in time they may be acquired by the community or ports from which they operate. This provision in section 2 of this bill pretends to be in harmony with such purpose, but it is not because it is limited to geographical divisions of the Atlantic, of the Pacific, and the Gulf, so that if any line operating from any one of the ports along the Atlantic, or any one of the ports along the Pacific, or any one of the ports along the Gulf, they would comply with this provision and deny the people of the other ports and the contiguous territory the right to utilize and acquire the American vessels operating in Shipping Board trade routes established from other ports. My friends, this is

one of the most important provisions of this bill. It can not embarrass anybody to have it made clear that domestic communities means the particular ports and territory naturally tributary to them and it can not embarrass the Shipping Board, because the thing itself pretends to leave the impression that lines running from particular ports shall be preserved. Let us see what it says. Amend section 7 of the merchant marine act as follows by providing:

*Provided further, That domestic communities primarily interested in such lines shall be understood to mean the geographical divisions of the coast lines of the United States known as the North Atlantic, South Atlantic, Gulf, and Pacific coasts, together with the particular ports from which such lines may run or be intended to run, and the territorial regions and zones naturally tributary to such ports and coastal divisions.*

There can be no harm in striking out the language referred to in the pending amendment so as to clearly define that the term "domestic communities" is not limited to coastal geographical zones, and the amendment should be adopted.

Mr. MONDELL. Mr. Chairman, we could not expect gentlemen who are opposed to this bill, and opposed to it in any other form, to be consistent, but I am a little surprised that the gentleman from Tennessee [Mr. DAVIS], who continues to endeavor to convey the impression that he wants to be fair about the matter, should become as widely and as wildly inconsistent as he has in a very few moments in his attitude toward the bill. When we considered section 1 the gentleman moved to strike out the words in lines 13 and 14, "including the use or disposition of the vessel by the purchaser." He said it was not wise to give the Shipping Board authority to insist that a certain service should be maintained; that they should have no authority at all. They should not be in a position where they could compel that service from the port or from the section, and he became quite eloquent in trying to explain what an unhappy thing it would be to give the Shipping Board that authority.

Mr. DAVIS of Tennessee. Will the gentleman yield?

Mr. MONDELL. When we came to section 2 he took exactly the opposite position in regard to the authority of the Shipping Board. I will yield.

Mr. DAVIS of Tennessee. I want to state that the gentleman is incorrect. I—

Mr. MONDELL. I did not yield to the gentleman to make a speech.

Mr. DAVIS of Tennessee. We proposed to fix it so as to protect the routes.

Mr. MONDELL. Of course, the gentleman would not mutilate the bill by taking from it the authority it is proposed to give the Shipping Board to insist upon the continuation of the service from the ports. Now, we have reached another provision of the bill where that authority, or direction under that authority, is to the effect that they shall consider services or sections.

They are not to be compelled, this is a general direction to the board, they are not to be compelled to insist that the service from one port to another shall be continued, but it is their duty at least to see that the service from certain sections shall be continued; that is, that they shall continue to have this service on the North Atlantic and shall continue it on the South Atlantic. The gentleman a few minutes ago did not want the Shipping Board to have any discretion in the matter at all, and now he insists that they shall be given authority to require that service, no matter where it may be or what the conditions may be under which the route shall be continued, even though the service from a neighboring port might be more satisfactory and might be a better service to establish. Mr. Chairman, I want to emphasize the shifting attitude; anything to defeat the bill, anything to embarrass the committee, anything to make the bill less effective, less workable, anything to leave it in a condition where it may be attacked and criticized. That is the attitude the gentleman from Tennessee has revealed by his opposition first to section 1 and his opposition now to section 2.

Mr. CHINDBLOM. Mr. Chairman, I would like to inquire of the gentlemen who are now so solicitous about the Mississippi Valley and the interests associated with the Mississippi Valley Association if they have any information later than June 13, 1922, with reference to their attitude on this matter?

Mr. BANKHEAD. Yes. This is something later than that.

Mr. CHINDBLOM. Let us have it.

Mr. BANKHEAD. We will produce that in due season.

Mr. CHINDBLOM. I have it in writing.

Mr. BANKHEAD. What is your writing that you refer to?

Mr. CHINDBLOM. This is a letter from the chairman of the Middle West Merchant Marine Committee.

Mr. BANKHEAD. What does he say?

Mr. CHINDBLOM. I will tell you what he says. He asks for an amendment, and he proposes exactly the thing that is in the bill. I will read to you what he proposes, and I will ask you to follow the language in the bill and see if there is any difference. This is from a letter of the president of the Middle West Merchant Marine. He requested the following amendment:

*Provided further, That "domestic communities primarily interested in such lines" shall be understood to mean the geographical divisions of the coast lines of the United States known as the North Atlantic, South Atlantic, Gulf, and Pacific coasts, separately, together with the particular ports from which such lines may run or be intended to run, along with the territorial regions and zones naturally tributary to such ports and coastal divisions.*

That is the amendment that was requested by the Middle West Merchant Marine Committee, and I will state that Mr. Malcolm Stewart, its president, says this amendment has been drawn up by the Middle West Merchant Marine Committee, representatives of the Mississippi Valley Association, and others interested in the Gulf and South Atlantic, as being a document calculated to give them the protection desired in their Middle West amendment. Then in this letter of June 13, 1922, he says:

We hope that no member of your committee will get the impression that the Middle West Merchant Marine Committee is only interested in the Gulf and South Atlantic ports.

The contrary is the case—

We are just as much interested in the smaller ports of the North Atlantic, and we are intensely interested in the Pacific ports.

Now, Mr. Chairman, this organization came before the Committee on the Merchant Marine and Fisheries and presented their case and requested certain amendments to the original draft of the bill, and most, if not all, of those amendments are incorporated in the bill. Of course, our friends on the other side wish to improve on what our friends in that section of the country themselves desire.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. CHINDBLOM. Yes.

Mr. BANKHEAD. In that case will the gentleman accept in his amendment the actual proposition offered at the hearings by these gentlemen who desire to protect their interests?

Mr. CHINDBLOM. Is not this of a later date?

Mr. BANKHEAD. Oh, I do not know what the date is.

Mr. CHINDBLOM. This is of date June 13. What is yours?

Mr. BANKHEAD. I am talking about the official amendment of the proponents of this proposition.

Mr. CHINDBLOM. This letter is of date June 13, 1922.

Mr. BANKHEAD. If the gentleman will remember the date of the appearance of Mr. Stewart before our committee, he will have the exact date.

Mr. CHINDBLOM. Have you the exact date?

Mr. BANKHEAD. I have not, I will say to the gentleman.

Mr. CHINDBLOM. That is of date May 27. This is June 13.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the "noes" have it.

Mr. DAVIS of Tennessee. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 38, noes 80.

So the amendment was rejected.

Mr. BRIGGS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BRIGGS: Page 3, line 14, strike out the word "two" and insert the word "five."

Mr. BRIGGS. Mr. Chairman and gentlemen of the committee, this amendment extends the time from two years, as fixed in the bill, to five years, in which domestic communities may acquire the lines on trade routes now operated by the Shipping Board. When this matter was up for consideration by the joint committee, delegations from the Middle West, delegations from the South Atlantic, and delegations from the Gulf appeared and insisted that under existing conditions and prospects they could not hope within less than five years to obtain the financial support which would enable the domestic communities to invest in and take over the Shipping Board service. They came before that committee and—

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. BRIGGS. Yes.

Mr. BUTLER. This postpones the sale of the ships for five years—your amendment would do that?

Mr. BRIGGS. This simply gives the local community an opportunity within five years in which to purchase the lines.

Mr. BUTLER. I am not contentious at all.

Mr. HARDY of Texas. That refers to the ships that are now running?

Mr. BRIGGS. Yes; the services that are now being operated.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. BRIGGS. Yes.

Mr. SNELL. Does the gentleman think it expedient for the country to extend the limit of the present operations until five years, when we are trying to cut down the expenses and get rid of the expense of this Government ownership and operation?

Mr. BRIGGS. In answer to that I will say that your committee thought it well to extend it at least for two years. The discussion in the committee indicated that if you would turn this fleet over to-day to buyers, although they might buy it for nothing, they would have to tie up the ships until ocean trade revived. The contention made by these sections of the country, by the South Atlantic, by the Gulf, and by the Middle West, was that it would take them five years to obtain the financial support necessary to maintain these services, which they felt are valuable to the communities they are serving—the contiguous territory, embracing largely the Gulf States, the South Atlantic States, and the Middle West—and building up an American merchant marine.

Mr. SNELL. Would not two years be a reasonable time in which to take the ships over? It seems that the intention of the bill is to cut off the expense now borne by the Government as speedily as possible.

Mr. BRIGGS. The section of the Jones Act which is involved here, section 7, declared that it was the purpose to preserve these lines and continue to serve the domestic communities contiguous to them. It was said that two years would not be a reasonable time; that the depression of shipping was so great that you could not hope to interest the people in buying within that time. Therefore, they came before the committee and asked five years.

Mr. SNELL. Could they get the money in five years?

Mr. BRIGGS. The question was not so much buying the boats as running them. Even if you gave the idle boats away, the owners would still have to tie them up until trade revives. You can not keep the idle ships in operation until world trade revives. The greatest depression the world has ever known prevails at the present time.

Mr. SNELL. I am talking about ships that are in existence, ships that are being operated at the present time. Are we not talking about ships that are owned and operated by the Government at the present time?

Mr. BRIGGS. Most assuredly.

Mr. SNELL. Then they are being operated.

Mr. BRIGGS. The lines are being operated, but, my friend, as you have emphasized, along with others I think, the lines are not yet a paying proposition. Money is being lost all over the world, in private operation as well as by the Shipping Board. Mr. Lasker stated in the hearing that the Government to-day is giving as fine operation and fine service as is being given in private operation, and the private operators who testified before that committee said that they were losing money on a part of their service and making only a little on the other. This amendment of five years, instead of two years, carries out strictly the purposes of the Jones law enacted in 1920.

Mr. EDMONDS. Mr. Chairman, answering the gentleman, I should like to say that I have always believed in consistency. The principal losses of the Shipping Board to-day come in those lines that the gentleman wants to perpetuate under MO4 contracts, and that some gentleman in his home town wants to perpetuate under MO4 contracts. We are trying to economize. The opposition have been talking about economizing and about wanting the interests of the Government safeguarded. We want the interests of the Government safeguarded. We went into this matter thoroughly. Only last night Mr. Lasker told me the principal losses of the Shipping Board were made in their effort to establish these lines on the Gulf.

Mr. BRIGGS. Will the gentleman yield for a question?

Mr. EDMONDS. Yes.

Mr. BRIGGS. The gentleman has said I am in favor of the MO4 contracts. I never expressed myself in favor of them; but I want to say that the chairman of the Shipping Board, after denouncing MO4 contracts, held that they are the only things under which those lines can be kept in service.

Mr. EDMONDS. The gentleman knows as well as I do that if those lines are continued they must be continued under something like the MO4 contracts.

Mr. BUTLER. Will the gentleman yield?

Mr. EDMONDS. Yes.



Mr. BUTLER. You gentlemen of the committee are very familiar with these things. What is a MO4 contract?

Mr. EDMONDS. A contract where the agent takes the boat and gets a commission for handling the boat and also gets a commission for getting freight to the boat, and if the boats goes out half full, the Government pays the bill, because the agent has no interest as to whether the boat has a full cargo or not. If two years from now the Government wishes to extend this privilege, it can do so. Mr. Chairman, I move that all debate on this section and the amendments thereto be now closed.

Mr. BANKHEAD. I hope the gentleman will not insist on that. I have a substitute that I want to offer for the whole section.

Mr. EDMONDS. My motion does not prevent the gentleman from offering amendments. It simply closes debate on the amendments.

Mr. BANKHEAD. I hope the gentleman will allow a little debate.

Mr. EDMONDS. Then, Mr. Chairman, I move that all debate on this section and all amendments thereto close in 10 minutes, 5 minutes on one side and 5 minutes on the other.

The CHAIRMAN. The gentleman from Pennsylvania moves that all debate on this section and all amendments thereto close in 10 minutes.

The question being taken, the motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BRIGGS].

The question being taken, the amendment was rejected.

Mr. BANKHEAD. Mr. Chairman, I offer a substitute for the section.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BANKHEAD: Page 3, line 6, after the word "further," strike out all to and including the word "services" on line 6, page 4, and insert in lieu thereof the following:

"It is hereby declared to be the policy of Congress to discourage monopoly in the American merchant marine. In pursuance of this policy the provisions of section 7 of the merchant marine act 1920 are specifically reaffirmed, and the board is directed in the development of its sales policy to continue as far as possible all existing steamship routes and regular services and to retain them in the hands of persons that have the support, financial and otherwise, of the domestic communities primarily interested in such routes, and every effort shall be made to organize or enlarge local companies to purchase or operate vessels in these routes. If in the judgment of the board at the expiration of five years from the coming into force of this act vessels of the board can not be sold to persons that have the support, financial and otherwise, of the domestic communities primarily interested in such routes to maintain such routes and services, the board may transfer such routes and services to such other persons, citizens of the United States of America, who can and will purchase vessels and continue the operation of such routes and services."

Mr. BANKHEAD. Mr. Chairman, this substitute presents fairly and squarely the deliberate attitude of the great commercial organizations of the Mississippi Valley and of the Gulf and South Atlantic ports as presented to our committee in the hearings in the month of May. So anxious were these gentlemen to undertake to avoid the existence of a monopoly in shipping on the Atlantic seaboard, to the detriment of their business interests in failing to provide adequate export shipping facilities, that Mr. Malcolm Stewart and Mr. Matthew Hale, as representatives of these two great sections of the country, came before our committee and presented this formal amendment, and both of them stated upon cross-examination by me that if the provisions of this amendment were not incorporated in the pending bill they could not give support to the measure.

The gentleman from Illinois [Mr. CHINDBLOM] has referred to a letter written in June by Mr. Malcolm Stewart. I do not know what particular pressure was brought to bear on Mr. Malcolm Stewart with reference to this matter, if any; but I can not understand why in the short lapse of time from May until some time in June the fundamental arguments upon which Mr. Stewart based his claim before our committee and the facts upon which they were based could have been changed. I hold in my hand here a letter addressed to Judge DAVIS, dated November 20, 1922, from Mr. Malcolm Stewart, in which this expression occurs:

The Middle West is discriminated against very greatly in ocean freight rates when shipping out of any other seaport except the North Atlantic for business destined to United Kingdom, continental Europe, and Mediterranean ports. We can render great assistance to the American merchant marine and at the same time secure for ourselves fair and equitable freight rates out of all our seaports if we act together and join our forces in demanding what is essential for our best interest.

These gentlemen asserted to us and their argument was when they appeared before the committee—and it is as sound now as it was then—that it would be impossible within the limited period of two years as provided by the bill for the

interest of the great Mississippi Valley, the South Atlantic, and the Gulf ports to build up a sufficient interest of maritime affairs to get citizens to invest in private ownership in the necessary trade routes. He asserts that it is a discrimination against the Middle West in requiring her freight to be exported from the Atlantic seaboard.

That issue is fairly presented by this amendment. We propose a period of five years if necessary in order to maintain and establish the routes now in existence by action of the Shipping Board, and in order to give a reasonable time in which domestic communities interested may build up an interest in shipping affairs so as to extend and invest their means in this enterprise.

Mr. SNELL. Will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. SNELL. Is not the effect of the gentleman's amendment the same as that offered by the gentleman from Texas [Mr. BRIGGS], extending for a longer period the inefficient Government ownership and the operation of these ships?

Mr. BANKHEAD. The effect of it as far as the time is the same, but there are other benefits proposed in my amendment which were not incorporated in the amendment of the gentleman from Texas. The gentleman has asked the question, and I want to say, as I undertook to argue in the speech that I made in general debate, that a great deal of this expense can be saved by abolishing the MO4 contracts for the operation of vessels under the Shipping Board and substituting therefor direct operation by the Government under competent shipping men.

Mr. LEHLBACH. Mr. Chairman, in the language of the act sought to be stricken out by the gentleman will be found the following in line 21. This is what they propose to strike out and then insert substantially the same language in another place to authorize the continuance of the Government operation of these vessels:

It is hereby declared to be the policy of Congress to discourage monopoly in the American merchant marine, and in pursuance of this policy the board is directed, in the development of its sales policy, to continue as far as possible and practicable, subject to the provisions of this section, all existing steamship routes and regular services, and to endeavor in every way to bring about the permanent establishment of such routes and services, and their retention, as far as possible, in the hands of persons having the support, financial and otherwise, of the domestic communities primarily interested in such routes and services.

Mr. BANKHEAD. Will the gentleman yield for a brief question?

Mr. LEHLBACH. No; I have not said anything yet.

Mr. BANKHEAD. I agree with the gentleman. [Laughter.]

Mr. LEHLBACH. I merely read what is in the bill and what the gentleman wishes to strike out. It is the unanimous desire of those who are proponents of the legislation to have the existing service in all sections of the country continued; to protect the sections by selling boats in all parts and sections of the country to be operated by private persons by private capital. In order to insure what the law directs, that preference in the sale of these ships must be given to citizens of a community that are to be served by them, no sales to anybody but those citizens can be made for two years after the enactment of the law. But what we want to do is to sell the ships to private owners. The gentleman wants the Government to hold the ships and continue to operate them for five years. It is only another way to seek to continue the Government ownership and prevent their being put into private hands.

The CHAIRMAN (Mr. Fess). The question is on the amendment offered by the gentleman from Alabama.

The question was taken; and on a division (demanded by Mr. BANKHEAD) there were 52 ayes and 82 noes.

So the amendment was rejected.

The Clerk continued with the reading of the bill, as follows:

#### INSURANCE.

SEC. 3. Section 9 of the merchant marine act, 1920, is amended to read as follows:

"SEC. 9. That if the terms and conditions of any sale of a vessel made under the provisions of this act include deferred payments of the purchase price, the board shall require, as a part of such terms and conditions, in order to protect and secure the equity of the United States for such unpaid purchase money, that the purchaser of the vessel and his successor in title shall keep the same insured (a) against loss or damage by fire, and against marine risks and disasters, and war and other risks if the board so specifies, with such insurance companies, associations or underwriters, or with the separate insurance fund to the extent authorized by section 10 of this act, and under such forms of policies, and to such an amount, as the board may prescribe or approve; and (b) by protection and indemnity insurance if the board so specifies, with such insurance companies, associations or underwriters, or with the separate insurance fund to the extent authorized by section 10 of this act, and under such forms of policies, and to such an amount as the board may prescribe or approve. The insurance required to be carried under this section shall be made payable to the board and/or to the parties as interest may appear. The board is authorized to enter into any agreement that it deems wise in respect to the payment and/or the guarantee of premiums of insurance."



Mr. GRAHAM of Illinois. Mr. Chairman, I move to strike out the last word, in order to ask the chairman a question. Why is it that they use here two conjunctives "and, or" at the end of line 10?

Mr. EDMONDS. Because it is the usual language in insurance matters. All charters and marine policies contain it. I have no objection to the gentleman taking out either one or the other. It is admiralty language and insurance language, and I can see no objection to leaving it in. It is perfectly well understood in legal circles.

Mr. GRAHAM of Illinois. It is funny language.

Mr. EDMONDS. It may look funny to the gentleman, but it is the usual language in admiralty and insurance matters.

Mr. GRAHAM of Illinois. Mr. Chairman, I withdraw the pro forma amendment.

The Clerk read as follows:

Sec. 5. Section 11 of the merchant marine act, 1920, is amended to read as follows:

"Sec. 11. (a) That there is hereby established in the Treasury a revolving fund to be known as the 'United States Shipping Board construction loan fund' (hereinafter in this section called the 'loan fund'). There shall be covered into the loan fund all moneys which at the time of the enactment of the merchant marine act, 1922, are in the fund created by this section as in force before its amendment by such act; and the board may set aside and cover into the loan fund all receipts of the board, except appropriations made by law and profits of the board from the operation of vessels; but the total amount of moneys covered into the loan fund (other than payments upon the principal and interest upon loans made therefrom) shall not exceed \$125,000,000.

"(b) The board may use the loan fund, to such extent as it deems necessary, for making loans to aid persons, citizens of the United States, (1) in the construction by them in private shipyards of the United States of vessels of the best and most efficient type equipped with the most efficient and the most economical machinery and commercial appliances, or (2) in the equipping by them of vessels already built with such machinery and commercial appliances.

"(c) No loan shall be made for a longer time than 15 years. All loans shall bear interest, payable at least annually, upon the unpaid principal at a rate not less than 2 per cent per annum. No loan shall be made, (1) in the case of a loan for construction purposes, for a greater sum than two-thirds of the cost of the vessel to be constructed; nor, (2) in the case of a loan for equipment purposes, for a greater sum than two-thirds of the cost of the equipment or two-thirds of the value of the vessel when thus reequipped, whichever is the lesser. The board shall require such security for the loan, including a first lien upon the entire interest in the vessel with reference to which the loan is made, as it deems necessary in order to insure the repayment of the loan with interest. In case of a loan under this section made after the enactment of the merchant marine act, 1922, all payments upon the principal and interest of the loan shall be covered into the loan fund."

Mr. DAVIS of Tennessee. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 7, line 12, after the word "than," strike out the figure "2" and insert in lieu thereof "43."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer the further amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 7, line 10, after the word "than," strike out "15 years" and insert in lieu thereof the following: "a period within 15 years after the date of the enactment of this measure. This entire loan fund, including the interest collected thereon, shall be covered into the General Treasury of the United States within 16 years after the enactment of this measure."

Mr. DAVIS of Tennessee. Mr. Chairman, it is contended by the opponents of this bill that it is permanent legislation, that it is intended to be, and that that will so result. While some of the proponents of the bill have argued that it is only a temporary proposition, yet that is an issue which this amendment will put to the test. The bill as now written authorizes a revolving fund of \$125,000,000, which may be loaned to any individual or corporation for a period of 15 years at a time. It may be loaned and reloaned. There is no time limitation whatever upon the fund under the provisions of the bill as they now exist. My amendment, if adopted, would limit the authorization for these loans for a period of 15 years from the date of the passage of the bill and provide that within 16 years after the passage of the bill the entire fund shall be covered into the General Treasury. That gives a year after the expiration of any loan which may have been made within which the Shipping Board or other authorities may collect the loans and pay them into the General Treasury. If this is a temporary proposition, if it is not intended to make these loans for a longer period than 15 years, this amendment should be adopted. If it is the purpose to continue loaning and reloaning for an indefinite period of time, we should know it, and we will determine what the purpose of the majority is by the vote on this amendment.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. MOORE of Virginia. I want to know, and that is the reason for my question, how much of the \$125,000,000 is to be taken out at once? Therefore I ask the question whether the gentleman can give me some idea as to what moneys at this time are available, as provided in this section?

Mr. DAVIS of Tennessee. The Jones bill, enacted in 1920, provided that \$25,000,000 should be set aside for loans out of the sales of ships, and so forth, the receipts of the Shipping Board. This bill provides that the accrued amounts, and also up to an amount of \$125,000,000, shall be paid into this fund, and they can obtain additional funds from the sale of ships or any securities or other properties belonging to the Shipping Board.

Mr. MOORE of Virginia. The language of the bill is:

There shall be covered into the loan fund all moneys which at the time of the enactment of the merchant marine act, 1922, are in the fund created by this section as in force before its amendment by such act.

What amount of that character is now in hand?

Mr. DAVIS of Tennessee. I do not know, and you can not get anything out of the Shipping Board. That is within their keeping. I can not answer the question.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. MOORE of Virginia. Mr. Chairman, I move to strike out the last word. Can the gentleman from Pennsylvania [Mr. EDMONDS] give us some idea as to about what amount is now in hand that would go toward the creation of the total fund of \$125,000,000?

Mr. EDMONDS. As near as I can find out there is very little money in the Treasury now.

Mr. MOORE of Virginia. Then it means that \$125,000,000 is to be segregated from the Treasury at once?

Mr. EDMONDS. If they can not sell \$125,000,000 worth of ships they can not get it out of the Treasury in any other way.

Mr. DAVIS of Tennessee. It is the fact that they have other securities and property which they can sell and use for this purpose.

Mr. EDMONDS. They can use any property they have to create the fund. As I understand the matter, the Shipping Board has been selling some property, and there was a certain amount of that money set aside by the Committee on Appropriations for the payment of claims. These claims have been rapidly cleaned up, and it is just possible there may be a little money in the Treasury to-day; but I doubt very much whether it will be held subject to this particular fund, although in the Jones Act we had arranged for a fund of that character—up to \$125,000,000 a year for five years.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The question was taken; and on a division (demanded by Mr. DAVIS of Tennessee) there were—ayes 29, noes 71.

So the amendment was rejected.

Mr. MONDELL. Mr. Chairman, I move that all debate upon the section and all amendments thereto be now closed.

Mr. MOORE of Virginia. Mr. Chairman, will not the gentleman allow us a few minutes debate? I shall move to strike out the section in order to make one or two observations.

Mr. MONDELL. On this section?

Mr. MOORE of Virginia. Yes.

Mr. MONDELL. How much time does the gentleman desire?

Mr. MOORE of Virginia. Of course, I shall claim only five minutes.

Mr. MONDELL. Mr. Chairman, I modify my motion that debate close in 10 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from Wyoming that all debate upon this section and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. MOORE of Virginia. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The clerk will report the amendment offered by the gentleman from Virginia.

The Clerk read as follows:

Amendment by Mr. MOORE of Virginia: Strike out all of section 5.

Mr. MOORE of Virginia. Mr. Chairman, the purpose of the section is to create a fund to be used in the construction of vessels at private yards, to assist in their construction. The amount mentioned, as just indicated, is \$125,000,000, which is to constitute a revolving fund. The Jones Act contains a provision somewhat similar to this, but limits the amount to a



total of \$125,000,000 to be used at the rate of \$25,000,000 a year, and makes certain provisions that were very carefully considered at the time that statute was enacted. It seems to me that the Jones Act goes quite far enough in appropriating money, however to be derived, which is the money of the public, for the purpose of assisting in the construction of new vessels. If the bill as it stands is passed, it will require not the using of \$25,000,000 a year, which is somewhat leisurely, but the use of \$125,000,000 as soon as it can be gotten in by the Shipping Board from the sale of vessels, from the collection of claims, and otherwise.

It strikes me that is going pretty far and pretty fast, particularly in view of the fact, as is well known, that the Treasury is not in a very fortunate condition at this time. The Government is facing a deficit; it faces an accrued deficit and it faces a constantly accruing deficit. Only this morning the statement was published that for the last fiscal year the revenue is \$1,400,000,000 less than the preceding fiscal year. Now, if the distinguished chairman of the Committee on Appropriations is here—I do not know whether he is here or not—I would like to know if he gives his indorsement to the pending proposition. The other day one of the prime reasons given for the enactment of this measure is that it would enable the Government to get ready for possible war; that is to say, a large amount of money is to be spent in building ships which will be of assistance in case of an emergency—\$125,000,000. Now, it is a very curious thing that almost at the time when we propose to do this we have provided for scrapping war vessels. We are to scrap war vessels, assuming that the treaty is going to be ratified by Italy and France, to the extent of several hundreds of millions of dollars—no one states even approximately how much—and in addition from \$70,000,000 to \$150,000,000 is to be spent to make good damages to contractors sustained because of the cessation of work upon Government vessels. That is a strange situation. On the one hand, declaring that we think there is little fear of war, we are prepared to scrap property that is worth hundreds of millions of dollars and besides pay large damages, and on the other hand in order to get ready for war, which is one of the main purposes of this bill, we are going to put the Government in business to the extent of assisting in the construction of new vessels.

Mr. EDMONDS. Mr. Chairman, again I must call the attention of the committee to the consistency of gentlemen on the other side. The gentleman gets up and proposes to strike out this section. It leaves the section in the Jones bill in existence. There is no limit of interest to be charged by the Shipping Board. There is no arrangement of a 15-year loan. The Shipping Board can loan out that money, \$125,000,000, \$25,000,000 a year for five years. The committee thought the proper thing to do was to put some limitation on the power of the Shipping Board. Gentlemen on the other side have been complaining all morning that we give the Shipping Board too much power, and now they want to give more. There is only one difference, and that is in regard to encouraging the placing of Diesel engines on ships that they will build and equip them with new and improved machinery.

Mr. FREAR. Will the gentleman yield?

Mr. EDMONDS. I will.

Mr. FREAR. How much money is placed in the revolving fund under the Jones bill?

Mr. EDMONDS. \$25,000,000 a year for five years.

Mr. FREAR. How much is there at the present time?

Mr. EDMONDS. I do not know; I do not imagine very much.

Mr. FREAR. This bill provides \$125,000,000.

Mr. EDMONDS. Just exactly the same sum of money as was placed in the Jones bill.

Mr. FREAR. Does not the gentleman think he should place certain restrictions upon the expenditure of such an enormous sum of money?

Mr. EDMONDS. That is what we do; we have put restrictions, but the gentleman wants the Shipping Board left open to do as they please.

Mr. FREAR. I do not want it.

Mr. MOORE of Virginia. Nobody objects to putting the restrictions on the way in which the fund is to be handled. My objection was on the use of the \$125,000,000; that is the central objection I respectfully urge upon the chairman.

Mr. EDMONDS. The gentleman wants restrictions and does not want restrictions; I do not know how to please him.

Mr. WHITE of Maine. That is a limitation rather than an enlargement of the Jones Act.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

Mr. JONES of Texas. Mr. Chairman, I have a perfecting amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. JONES of Texas: Page 7, line 22, after the word "interest," insert the following: "and the board shall require annual payments on the principal of any loan in amounts sufficient to cover not less than the depreciation of the vessel up to the time of any such payment."

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question is on the motion of the gentleman from Virginia to strike out the section.

The question was taken, and the amendment was rejected.

The Clerk began reading.

During the reading—

Mr. BLANTON. Will the Chair permit a parliamentary inquiry?

The CHAIRMAN. The gentleman can not interrupt the reading.

Mr. BLANTON. The reading will go along until the entire bill is read under the ruling of the Chair?

The CHAIRMAN. Only the section which the Clerk is now reading.

The Clerk read as follows:

SEC. 6. (a) Section 24 of the merchant marine act, 1920, is amended to read as follows:

"SEC. 24. That all mails of the United States shipped or carried on vessels shall, if practicable, be shipped or carried on American-built vessels documented under the laws of the United States. No contract hereafter made with the Postmaster General for carrying mails on vessels so built and documented shall be assigned or sublet, and no mails covered by such contract shall be carried on any vessel not so built and documented. No money shall be paid out of the Treasury of the United States on or in relation to any such contract for carrying mails on vessels so built and documented when such contract has been assigned or sublet or when mails covered by such contract are in violation of the terms thereof carried on any vessel not so built and documented."

(b) Section 7 of the merchant marine act, 1920, is amended by striking out so much thereof as reads as follows: "The Postmaster General is authorized, notwithstanding the act entitled 'An act to provide for ocean mail service between the United States and foreign ports, and to promote commerce,' approved March 3, 1891, to contract for the carrying of the mails over such lines at such price as may be agreed upon by the board and the Postmaster General."

(c) The act entitled "An act to provide for ocean mail service between the United States and foreign ports, and to promote commerce," approved March 3, 1891, is repealed.

#### TITLE II.—TAXATION.

##### INCOME TAX OF VESSEL OWNERS.

SEC. 201. Title II of the revenue act of 1921 is amended by adding at the end thereof seven new sections to read as follows:

##### "EXEMPTIONS TO VESSEL OWNERS.

"SEC. 265. (a) That the owner of a vessel of 1,500 gross tons or more (as shown on her certificate of admeasurement), registered, or enrolled and licensed, under the laws of the United States, shall, for the taxable year 1921 and for each of the eight taxable years following, be allowed as a deduction in computing net income, in addition to other deductions allowed by law, an amount which bears the same ratio to his net income during the taxable year attributable to the operations of such vessel (computed without the benefit of this section) as his gross income attributable to the foreign operations of such vessel bears to his entire gross income attributable to the operations of such vessel: *Provided*, That in no case shall the amount by which the taxes imposed by this act are diminished by reason of such deduction, exceed 50 per cent of the amount certified under clause (1) of subdivision (b) of this section, plus 100 per cent of the amount certified under clause (2) of subdivision (b) of this section.

"(b) Such deduction shall not be allowed unless the United States Shipping Board (hereinafter in this title referred to as the 'board') has certified to the commissioner (1) the amount invested by the taxpayer, after the beginning of the taxable year for which the deduction is claimed and prior to the time fixed by law for filing the return, in the building in private shipyards in the United States of new vessels of a type and kind approved by the board, to be registered, or enrolled and licensed, under the laws of the United States, and (2) the amount set aside by the taxpayer after the beginning of the taxable year for which the deduction is claimed and prior to the time fixed by law for filing the return, in a trust fund for investment in the building in private shipyards in the United States of new vessels of a type and kind approved by the board, to be registered, or enrolled and licensed, under the laws of the United States.

"(c) As soon as practicable after the filing of the return for the taxable year for which the deduction is claimed, the amount by which the taxes imposed by this act are diminished by reason of the deduction allowed under subdivision (a) of this section shall be determined by the commissioner with the approval of the Secretary and certified by the latter to the board. The commissioner shall notify the taxpayer, who may immediately withdraw from such trust fund the amount, if any, by which the amount set aside in such trust funds exceeds the amount which should have been so set aside, together with the ratable part of the interest on or earnings from such trust fund since the date of its establishment.

"(d) For the purposes of this section there shall be deemed attributable to the foreign operations of a vessel so much of the gross income attributable to the operations of such vessel as is attributable to the carriage of passengers, cargo, and mails taken on board at a port not in the coastwise trade and discharged at a port whether or not in the coastwise trade, or taken on board at a port whether or not in the coastwise trade and discharged at a port not in the coastwise trade. If the owner of the vessel uses it in whole or in part for the transportation of his own property, his gross income attributable to the opera-



tions of the vessel in transporting such property shall be considered to be such amount as is determined by the board, and certified by it to the commissioner, as representing the fair value of the services performed by the vessel in transporting such property.

"(e) In no case shall the amount by which the tax due from a taxpayer, other than a corporation, is diminished by reason of the deduction allowed by this section, exceed the amount by which the tax would have been diminished if such taxpayer were a corporation.

"(f) That portion of the amount of invested capital attributable to the vessel which bears the same ratio to such invested capital as the amount allowed as a deduction under the provisions of this section bears to the amount of the entire net income for the taxable year attributable to the operations of such vessel (computed without the benefit of this section) shall be regarded as an inadmissible asset in computing the tax imposed by Title III of this act.

"Sec. 266. (a) That in the case of the sale, during the taxable year 1921 or any of the eight taxable years following, of a vessel launched prior to January 1, 1914, which was at the time of the enactment of the merchant marine act, 1922, registered, enrolled, or licensed, under the laws of the United States, and which at no time thereafter, up to the time of sale, was under a foreign registry or flag (or, in case of sale made prior to the enactment of such act, was at the time of the sale registered, enrolled, or licensed under the laws of the United States), the taxable gain derived from the sale shall be allowed as a deduction (in addition to other deductions allowed by law) in computing the net income of the owner, if he is a citizen of the United States within the meaning of the shipping act, 1916, as amended by the merchant marine act, 1920. Except as provided in subdivision (b) this deduction shall not be allowed unless (after the beginning of the taxable year for which the deduction is claimed and prior to the time fixed by law for filing the return) the entire proceeds of the sale have been invested by the taxpayer, or set aside by him in a trust fund for investment, in the building in private shipyards in the United States of new vessels of a type and kind approved by the board, to be registered, or enrolled and licensed, under the laws of the United States.

"(b) If a part only of the proceeds of the sale has been so invested or set aside in a trust fund the amount of the deduction allowed under subdivision (a) shall be an amount which bears the same ratio to the taxable gain derived from the sale as the part of the proceeds so invested or set aside in a trust fund bears to the entire proceeds of the sale.

"(c) Upon the completion of the new vessel or vessels they shall, for the purposes of sections 202, 214, and 234, be treated as taking the place of a like proportion of the vessel sold.

"(d) Where a vessel is exchanged for property, or for money and property, the transaction shall, for the purposes of this section, be deemed to be a sale with reference to (1) the money received in the exchange, and (2) that part of the property received in the exchange which, under the provisions of subdivisions (c) and (e) of section 202, is considered in determining the taxable gain from the exchange.

"Sec. 267. (a) That if a taxpayer establishes a trust fund for investment under the provisions of section 265 or 266, the amount so set aside under section 266, or an amount equal to 200 per cent of the amount set aside under section 265, as the case may be, shall be actually invested by the taxpayer, within a reasonable time, to be determined by the board, in the building in private shipyards in the United States of new vessels of a type and kind approved by the board, to be registered or enrolled and licensed under the laws of the United States. Upon failure to invest all or any part of such amount within the reasonable time fixed by the board, or upon failure to register or enroll and license, the new vessel or vessels under the laws of the United States within a reasonable time fixed by the board, the board shall immediately notify the commissioner, and (1) the amount which should have been invested under the provisions of section 266 and this section which is not so invested, or the amount invested in a vessel or vessels not registered or enrolled and licensed under the laws of the United States, shall be deemed, for the purposes of section 266, to have never been set aside in a trust fund for investment, and (2) 50 per cent of the amount which should have been invested under the provisions of section 265 and this section which is not so invested, or 50 per cent of the amount invested in a vessel or vessels not registered or enrolled and licensed under the laws of the United States, shall be deemed, for the purposes of section 265, to have never been set aside in a trust fund for investment. Any additional tax due by reason of this adjustment of the amount set aside in the trust fund for investment under sections 265 and 266, together with interest thereon at the rate of one-half of 1 per cent per month from the time the tax was due, shall be payable upon demand at any time, notwithstanding the provisions of section 250. The amount in the trust fund shall be first applied in payment of such additional tax due, and the instrument creating the trust fund shall provide for such application.

"(b) Whenever the taxpayer establishes a trust fund for investment under the provisions of section 265 or 266, the interest on or earnings from the amount set aside in such fund shall belong to the fund, and, for the purposes of subdivision (a) of this section, shall be considered as being a part of the amount set aside in the fund.

"Sec. 268. That the commissioner may require a taxpayer, who claims the benefit of the deduction allowed by section 265 or 266 and establishes a trust fund for investment, to furnish a bond with such security or surety as the commissioner shall require, for an amount not less than the difference between (1) the estimated income, war-profits and excess-profits taxes that would have been payable but for the deduction claimed under those sections, and (2) the estimated income, war-profits and excess-profits taxes that would be payable if such deduction were allowed. Such bond shall be conditioned upon (a) the investment of the fund in accordance with the provisions of section 267, or the payment of the tax, together with interest, due by reason of failure to so invest, and (b) the registering, or enrolling and licensing, of the new vessels under the laws of the United States within the time fixed by the board.

"Sec. 269. (a) That the amount invested under the provisions of sections 265, 266, or 267, or set aside in a trust fund for investment under the provisions of sections 265 or 266, must be from funds other than any loan which the taxpayer may have received from the board under the provisions of section 11 of the merchant marine act, 1920, as amended by the merchant marine act, 1922.

"(b) So much of sections 265 and 266 as requires that the investment, or the setting aside of an amount in a trust fund for investment, shall be made prior to the time fixed by law for filing the return for the taxable year for which the deduction is claimed, shall be deemed complied with by a taxpayer with respect to the deduction for a taxable year ending prior to the time of the enactment of the merchant

marine act, 1922, if he makes such investment, or sets aside such amount in a trust fund, within 75 days after the enactment of such act.

"Sec. 270. That section 265 and section 266 shall be deemed to have been in force on January 1, 1921.

"Sec. 271. That the benefits of section 265 and section 266 shall be allowed to the members of a partnership and the beneficiaries of an estate or trust under regulations prescribed by the commissioner, with the approval of the Secretary."

Mr. DAVIS of Tennessee. That concludes the reading of the section?

The CHAIRMAN. It does.

Mr. DAVIS of Tennessee. I desire to offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 11, lines 16 to 22, after the word "trade" strike out "If the owner of the vessel uses it in whole or in part for the transportation of his own property his gross income attributable to the operations of the vessel in transporting such property shall be considered to be such amount as is determined by the board, and certified by it to the commissioner, as representing the fair value of the services performed by the vessel in transporting such property."

Mr. DAVIS of Tennessee. Mr. Chairman, this amendment simply points out the fact that these tax exemptions are extended to those lines, like those of the Standard Oil and the United States Steel and various other lines, that are operating ships in conveying their own products, and not as common carriers; and this motion proposes to strike out that portion recognizing that they are entitled to those tax exemptions.

Mr. SEARS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman from Florida asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. WHITE of Maine. Mr. Chairman, as to the amendment proposed by the gentleman from Tennessee [Mr. DAVIS], I do not think it accomplishes, in the first place, the thing he desires; and in the second place, I do not think the thing he desires to accomplish ought to be accomplished.

This simply lays down for the guidance of the Secretary of the Treasury a rule for putting into effect what appears in other portions of the bill. If you strike it out, it does not destroy the substantial proposition at all, but it leaves the Secretary of the Treasury suspended in the air without any rule for his guidance except as may be otherwise provided in the bill.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. HARDY of Texas rose.

The CHAIRMAN. For what purpose does the gentleman from Texas rise?

Mr. HARDY of Texas. To submit a few observations on the amendment. I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas moves to strike out the last word.

Mr. HARDY of Texas. I wish to call attention to the additional fact, not mentioned by my colleague from Tennessee [Mr. DAVIS], that this paragraph evidences the fact that those who own their own transportation facilities, like the Standard Oil and the Steel Trust and the United Fruit Co., are exempted from paying any income tax on the reasonable earnings of their shipping when engaged in carrying their own products, and it also exemplifies the fact that while exempted from taxation they are given a subsidy by the Government of the United States under this bill. It seems to me it all ought to go out.

Mr. EDMONDS. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Pennsylvania moves to strike out the last two words.

Mr. EDMONDS. This proposal to strike out has nothing to do with the payment of a subsidy to industrial ships. It simply establishes a method by which the Treasury Department can make the deductions in taxes authorized by this House and the Senate under the Jones bill.

Now, what happens here? Under the Jones bill if a man owns a ship he could take from his income tax a certain sum of money, and by doubling the amount of money and putting it into new ship property get an exemption of taxes. There is no exemption of taxes here except for the purposes of building new ships. If he does not build new ships, he does not get the exemption. We all know that. In another case a man may have a ship worth, say, \$600,000, and he sells it for \$1,000,000. He would be entitled for taxation purposes to count up a profit of \$400,000. What are you doing here? You simply say to him, "If you take that whole \$1,000,000, the \$600,000 of the original cost and the \$400,000 profit, and put



it in another ship for \$1,000,000 we will not charge you any taxes on the \$400,000 profit."

As I said this morning, when the proper time comes I am going to offer an amendment in the proper place that will take industrial ships out from the subsidy.

Mr. DAVIS of Tennessee. But the gentleman will concede that this does exempt the Standard Oil and the United States Steel and the United Fruit Co. from the payment of income taxes, provided they would certify that they had invested their income in the purchase of other ships. If this provision is not knocked out they will be entitled to that.

Mr. EDMONDS. Yes. But I do not understand the gentleman's position at all. The Standard Oil Co. is not charged with being discreditable or disgraceful in this country.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. MONDELL. Under the amendment which the gentleman proposes to offer later the Standard Oil tankers would not secure the benefit of the subsidy?

Mr. EDMONDS. No.

Mr. MONDELL. On the other hand, the provision which the gentleman from Tennessee [Mr. DAVIS] now proposes to strike out has no relation whatever to that affair or to that condition of affairs?

Mr. EDMONDS. Absolutely none whatever.

Mr. MONDELL. It simply provides that where there is a ship receiving a certain amount of compensation, as some ship will that may carry some of the products of its owners, the Treasury shall have a method of computation, and this is simply a method of computation?

Mr. EDMONDS. That is all. It is simply to carry out what has been the express decision of the House on the subject.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. BLANTON. It is said that the tankers of the Standard Oil Co. will not get the subsidy. The gentleman knows that there is a greater demand for tankers than for any other class of vessels just now. What is there to prevent the Standard Oil from selling its tankers where there is a demand and building new tankers that would come under the provisions of this bill? They would in that case get the subsidy for carrying the oil in their own tankers?

Mr. EDMONDS. Simple business sense would prevent their doing that.

Mr. BLANTON. If they sold the tankers, as they could, they could borrow from the Government at less per cent than it costs us and build new tankers.

Mr. EDMONDS. No; we changed that to 4½ per cent.

Mr. WHITE of Maine. And they can not do that without the consent of the Shipping Board, anyhow.

Mr. FREAR. Since this question of subsidy has been presented, what does the gentleman mean by "subsidy"? Does that run to tax funds?

Mr. EDMONDS. No.

Mr. FREAR. Are the Standard Oil and the United States Steel exempt from the deductions?

Mr. EDMONDS. They will not get yours or mine.

Mr. FREAR. But as they own two-thirds of the vessels, they will get two-thirds of all the profits?

Mr. EDMONDS. Yes; providing they use them for building new ships and put an equal amount of money with the exemption.

Mr. FREAR. Sales and all these other questions are involved?

Mr. EDMONDS. Yes. That is in the Jones Act that the gentleman voted for.

Mr. FREAR. Yes; I voted for the Jones Act, but I did not know what was in it, and two-thirds of the Members were in the same position.

Mr. TINCHER. Mr. Chairman, as I understand, the gentleman from Pennsylvania proposes to offer an amendment to do away with the subsidy provided for in another section for industrial ships. Am I correct in the assumption that this section to which the amendment has been offered is a form of subsidy offered to industrial ships as well as others?

Mr. EDMONDS. To all ships. Will the gentleman allow me to say a word?

Mr. TINCHER. I will yield.

Mr. EDMONDS. It is my opinion that they may not want to set the money aside to build the ships. It may be possible that they may say that they do not want any more ships at this time.

Mr. TINCHER. The point I am making is: Does the gentleman think it is fair to strike out the subsidy for a class in one

section and still let that class have the benefit of a distinct subsidy in another section?

Mr. EDMONDS. This is not a subsidy.

Mr. TINCHER. Does not the gentleman think that if you exempt people from the payment of an income tax that that is a subsidy?

Mr. FREAR. Let me ask the gentleman how many millions of dollars will this take—how much is it estimated it will cost?

Mr. EDMONDS. It would depend upon how many wanted to build new ships. That would be very indefinite. I do not think the Treasury Department or anybody else can give any estimate that would be worth anything.

Mr. TINCHER. The gentleman has made some calculation, I suppose; which does the gentleman think would amount to the most, the subsidy provided in this section or the direct subsidy?

Mr. EDMONDS. If they used all the compensation they are allowed for ships and used all the ships I should say the subsidy would be the greater amount. I assume that the compensation would amount to the greater sum.

Mr. TINCHER. Is there any way of arriving at it?

Mr. EDMONDS. I think there is no question but that the compensation would amount to the greater sum.

Mr. DAVIS of Tennessee. How does the gentleman know it when not a single representative of the Shipping Board would say how much this tax exemption, or any tax exemption, would impose as a burden upon the Public Treasury?

Mr. EDMONDS. Oh, nobody knows; there is nothing to show in any way how to compute it. Suppose the Standard Oil Co. says, "We do not want any more ships; we have more than we want." Then they pay their taxes and do not take any tax exemption.

Mr. TINCHER. Is there any difference in principle between authorizing a subsidy to be paid in cash to an industrial ship or a subsidy in the way of a rebate in taxes to the ships engaged in their own interests; is there any difference in principle?

Mr. WHITE of Maine. There is this difference, that in the case of the subsidy the money is a direct payment by the United States Treasury. In this case it may be that the Standard Oil Co. will not want to construct any new vessels.

Mr. TINCHER. Is it not true that a subsidy paid directly out of the Treasury is more American than a rebate graft?

Mr. FREAR. Both of them come out of the Treasury.

Mr. STEVENSON. Mr. Chairman, it seems to me that the gentleman from Kansas has thrown a good deal of light on this proposition. As I gather from the statement of the gentleman from Pennsylvania, if any concern is in the shipping business and it is profitable and they want to build more ships, then it will set aside a fund and avoid its income tax and thereby build for a more profitable business. If it is not profitable, it will pay the tax and quit.

Let us look at it from the standpoint of the farmer. The President said he was in favor of helping out the farmers right away. Now, take a farmer who makes a good deal of money—I know that is a rash proposition, but he sometimes does—give him the same privilege and he will say, All right; I will set aside \$10,000 and buy another farm and produce more farming products; but you must exempt me from taxation on the money invested if I am going to get another farm and run it." That is the same proposition you are putting up here. If a man wants to take the money, if he is doing a profitable business, we will exempt him from taxation provided he will invest it in another concern and will continue to make more money. It is a premium offered to the man who wants to avoid taxation by making more money for himself. The President stated that he wanted to take care of the farmers. I would like to see you take care of the farmer who would like a little more himself. We passed a bill last May putting a farmer on the reserve board which is to fix the financial policy of this year. Now, it has been eight or nine months since that was agitated and we have not got that relief for the farmers. It was stated by Secretary Mellon that on the assembling of the extraordinary session that matter would be acted upon by President Harding by appointing Mr. J. R. Howard, the only farmer who has come out in favor of this bill and who has been repudiated by every farm organization in this country.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. CONNALLY of Texas. The gentleman is trying to propose an indirect method of helping the farmer. Would not the people of the United States be better off if they subsidized directly the woolgrower instead of the manufacturers, with the tremendous indirect subsidy in the tariff law?



Mr. STEVENSON. Perhaps they would, so far as that is concerned. But I want to call attention specifically in this matter to the statement of the gentleman from Pennsylvania, that if the shipowner is making money and wants more ships the Government will give him his income tax if his business is profitable with which to build it. If the farmer is making money and wants another farm they will not give him money, but they take his income tax, and he will have to go and borrow money at 7 or 8 per cent where you propose to loan to the shipowner at 4½ per cent.

Mr. HARDY of Texas. These concerns can utilize their wealth or a portion of it in rebuilding such ships as necessary to reinforce their fleets, and every dollar they put into a fleet is an increase of wealth without taxation.

Mr. STEVENSON. I call attention to the fact that since this bill has been pending the Standard Oil companies have declared and announced their intention of declaring stock dividends amounting to \$1,338,000,000, which they have built up in the last 11 years since the old Standard Oil Co. was divided up into 33 different companies.

Mr. FREAR. That is in addition to the cash dividends.

Mr. STEVENSON. In addition to cash dividends which have been at the rate of 20 per cent per annum. In giving out a statement of their policy to the New York papers on the 6th day of October, 1922, they made this statement:

The killing of the bonus bill caused several plans of recapitalization to come before the directors of the Standard Oil companies. It had been feared that the bonus legislation might have included provisions unfavorable to Standard Oil plans. The chief fear was that the Government might take steps to tax stock dividends.

Therefore they did not declare them, because they were afraid the soldiers would get something out of them. Now they propose to hand out these stock dividends to their stockholders.

It is not surprising that the Standard Oil and kindred enterprises have found a warm friendship in the financial legislation of this Congress, when we remember that of the 17 Republican members of the Ways and Means Committee 11 were millionaires, most of them multimillionaires, as was stated by Hon. Frank R. Reid, Member elect of the eleventh Illinois district, and a Republican, in an interview given out last summer and placed in the CONGRESSIONAL RECORD by myself.

The performances of that committee have justified their appointment. They reduced the taxes of the millionaires \$150,000 on each million of income, thereby reducing the tax of their millionaire Secretary of the Treasury, Mr. Andrew Mellon, \$2,250,000 a year, if the statement of Mr. FREAR, of Wisconsin, is correct, that Mr. Mellon's income is around \$15,000,000 a year. The bill as originally introduced was prepared in Mr. Mellon's office and provided for the reduction of \$330,000 on each million, which would have reduced Mr. Mellon's taxes \$4,950,000 if it had been passed in that shape, and it was jammed through this House in that shape, and Mr. Mellon and President Harding both advocated its being passed that way when the bill went to conference. The same committee, in the same bill, took \$450,000,000 excess-profits tax from the corporations that make an excess-profits tax, making in these two items a reduction of \$540,000,000 in the taxes of the very rich. The excess-profits tax has been greatly misunderstood by many people. No corporation is subject to it unless it made net profits of \$3,000 and in addition to that 8 per cent on its capital stock. To give an example, a corporation of a hundred thousand dollars capital which made only \$11,000 net would not be subject to the excess-profits tax. But if it made \$50,000 net the excess over \$11,000 would be taxable as excess profits and the tax on that \$39,000 would be \$18,350, which would leave a net profit of \$31,650 on the capital of one hundred thousand. In other words, it would double its capital every three years and pay the excess-profits tax. This committee also reported a tariff bill which directly tends to destroy our American shipping. Section 313 of that bill provides that if a shipbuilder imports the materials with which to build a ship and pays tariff on them he can sell the ship to an American, but if he does he sells it with the tariff added. If he sells it to a foreigner, to wit, an Englishman, he can get back from the United States Treasury 99 per cent of the tariff paid on the material. It has been stated in the debate here—by Mr. CHANDLER of New York—that shipping material can be bought cheaper abroad than in this country, and it has generally been conceded that the average tariff will run about 40 per cent. Take a shipbuilder building a million-dollar ship, and the proportion of the ship cost which is material, if imported, would make the tariff item at least 10 per cent of the cost of the ship, or a hundred thousand dollars. Now, an Englishman comes up to buy the ship, and says, "I want it to put under the British flag." An American also comes up, and says, "I want this ship to fly the Stars and Stripes."

The shipbuilder will necessarily reply to the American, "It has cost me \$1,000,000, and I will sell it to you on that basis." To the Englishman he will say, "It has cost me a million dollars, less \$99,000 rebate which I can get from the United States Treasury if I sell it to you, and I will sell it to you on the basis of \$901,000 cost." And this bill proposes to tax the American people to assist the American shipowner to compete with the Englishman, whom it has given an advantage by its own legislation. And yet the gentleman from Pennsylvania [Mr. EDMONDS] has stated more than once that the people who oppose this bill are favoring the British. The gentleman's own party has so favored the foreigner at the expense of the home shipowner that the American shipowner has been driven off the seas. Their same tariff bill, section 466, also provides that if an American ship is repaired in a foreign port, that when the ship returns to an American port it shall pay 50 per cent tariff on the expense of such repairs, no matter how much more cheaply the repairs could be made in a foreign port. An English and an American ship are both repaired, say, in a port in Australia, have the same repair work done, at an expense of \$50,000 each. The English ship goes its way and that is the end of it. The first time the American ship reaches a home port it is assessed \$25,000 taxes, and if it fails to pay it the ship is seized and sold to pay the charges, thereby making its cost of maintenance 50 per cent more than what the Englishman's ship costs, and, under section 413 of this bill, forfeits all compensation under the provisions of this act.

There is one other provision of the tariff act which favors the very wealthy people, with whom Secretary Mellon is largely associated. Section 312 of the tariff act provides for the corporation that is engaged in reducing ores and shipping metals in any form to have their smelters declared "bonded smelting warehouses" by merely giving a bond to the Secretary of the Treasury to pay any tax due on the ores imported, and when the company exports as much metal as the ores imported should produce the tariff charge against such ores is canceled. It is charged, and I have never heard it denied, that the United States Steel Corporation has very large holdings of iron-ore lands in foreign countries, notably China. This provision will enable them to mine that ore in China with coolie labor, the cheapest in the world, to transport it to this country in their own ships, take it into their factories here without paying any tariff on it, reduce it, manufacture it, and ship it out to supply its foreign market and have all tariff charges canceled against it. What is the result of this? First, in supplying its foreign market it puts Chinese coolie labor in direct competition with the miner in the iron mines of this country. Second, it arranges for the United States Steel Corporation to be able to sell to the foreigner for probably 50 per cent less than he sells to the American; and third, it enables it to get a ship subsidy, under this bill, on the cargo both ways, which it carries for itself alone. This is certainly not taking care of America but taking care of a great financial and manufacturing trust and its foreign customers at the expense of the American miner and the American consumer.

But Mr. EDMONDS of Pennsylvania says that they propose to strike out of this bill the provision for paying a subsidy to the Standard Oil Co., the United States Steel Corporation, and the American Fruit Co., in so far as those corporations earn it by carrying their own stuff. That is a mere subterfuge to get the bill through. There are 33 Standard Oil companies. The big capitalists who own the large blocks of stock in those corporations will simply see that there is an independent ship-operating concern organized which will buy the tankers and other ships necessary to carrying the Standard Oil products, and that corporation will get the Standard Oil cargoes exclusively and charge the usual ocean rate and get the subsidy, and the money will go into the pockets of the big capitalists in the Standard Oil group just the same, but will come from another conduit, and they will be pulling down dividends from 34 concerns instead of 33, while the small stockholders' dividend will come from 33 and be reduced slightly in order to make the shipping concern dividend larger. A like scheme will be operated by the United States Steel Corporation and the American Fruit Co.

I want to notice one other result of the great corporate control of this administration. The railroads were returned to the owners thereof with a six months' guaranty put through by a Republican Congress. In that six months they claimed to have lost over \$700,000,000, which this administration has paid without question and without suggestion that an extra tax was necessary in order to finance them. The corporations engaged in supplying the Government with war materials, who are generally designated as profiteers, complained to Congress that they lost money as the result of the cancellation of



their contracts when the armistice was signed. The contracts provided for cancellation on a certain notice, which notice was duly given, and they had made multiplied millions in filling the contracts. But Congress provided for a commission to settle with these profiteers on an equitable basis, and up until last June they had settled \$1,500,000,000 of the \$3,000,000,000 claimed for \$600,000,000. And it was estimated that it would take \$600,000,000 more to settle the balance—which will make \$1,900,000,000 paid out in settling with the railroads and the profiteers for their alleged losses incident to the war without a single suggestion that it was necessary to make any special taxation to finance these things. The adjusted compensation bill of the former soldiers, which would not cost any more if every soldier took the cash and got it at once, was vetoed by President Harding with the backing of Mr. Mellon, the financial adviser of the administration, because a special tax was not levied to pay that. But some one says that it will take four billions to pay the bonus. I want to set down the figures, so that claim will not be made unchallenged again. Two million men went overseas. Under the bill they were to get a dollar and a quarter a day for each day in the service, not exceeding \$600, less the \$60 bonus paid on discharge. That is, \$540 each, if each one was in from the day war was declared until the end. This would make \$1,080,000,000. The men who did not go overseas were to have \$1 a day, not exceeding \$500, less the \$60 bonus, which would be \$440 each if everyone was in from the day war was declared until the end. This would make for the 2,000,000 men in \$880,000,000. The total therefore would be \$1,960,000,000 if every man had been in all the time, or about the same that they are paying the railroads and the profiteers without ever a suggestion of a special tax. The general understanding is that the average length of service was a little over six months, or around 200 days. But suppose it was higher than that and was half of a full service—half of that would be \$980,000,000, and that is about what it would cost, certainly not over a billion, to pay these boys the cash. And it is typical of this administration that it is taking care of the great financial corporations and turning its back upon the boys who stood between this great wealth and the concentrated power of Germany. And in this bill now before us it proposes to continue this policy of subsidizing great wealth with money taken from the pockets of the producers and the burden bearers of this country.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn. The question is on agreeing to the amendment offered by the gentleman from Tennessee [Mr. DAVIS].

The question being taken, on a division (demanded by Mr. DAVIS of Tennessee) there were—ayes 61, noes 63.

Mr. TINCER. I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. DAVIS of Tennessee and Mr. LEHLBACH.

The committee again divided; and the tellers reported—ayes 59, noes 70.

Accordingly, the amendment was rejected.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 9, line 13, after the word "State," insert "and operated as a common carrier."

Mr. DAVIS of Tennessee. Mr. Chairman, this is along the same line as the last amendment. This section as it now reads extends and enumerates the tax exemptions in favor of ship-owners, which amount to an exemption of Federal taxes of every character, including excess profits, war profits, income tax, surtax, corporation tax, and everything else. It exempts them from payment upon the sole condition that they set the money aside for reinvestment. That is done without regard to whether they are common carriers or not. This amendment simply confines these exemptions and favors to the ships that are operated as common carriers; in other words, to the ships that are operating in the interest of the public and for the service of the public, and not solely for the enrichment of the Standard Oil Co., the United States Steel Trust, the Packers' Trust, the United Fruit Co., and the other classes of lines that get the benefit of these enormous exemptions, unless this amendment is adopted—exemptions that will be greater in their cases than in the case of any other steamship line.

Now, it is up to you.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. CONNALLY of Texas. In line 13 why is the year 1921 exempted?

Mr. DAVIS of Tennessee. It says:

For the taxable year 1921 and for each of the eight taxable years following.

That is retroactive.

Mr. CONNALLY of Texas. Why is that? That is what I am trying to find out.

Mr. DAVIS of Tennessee. Simply in order to favor them for the past year as well as present and future years, that is all.

Mr. WHITE of Maine. If the gentleman from Texas [Mr. CONNALLY] will allow me, I wish to state that the simple reason for putting this in is that it is existing law and that they are simply carrying out the existing law, the Jones Act.

Mr. BRIGGS. Mr. Chairman, I move to strike out the last word. There has been a good deal of talk about this being an extremely innocent bill and having only one or two modifications of the existing law. The Jones law did not give any income-tax exemption. It made excess profits and war profits exempt under certain conditions. This bill expands very greatly the exemptions. How can any man say that the return of taxes paid into the Treasury does not constitute subsidies of the very highest value? How can any man say that taxes which otherwise would find their way into the Treasury of the United States, but which are allowed to remain in the pockets of a taxpayer are not contributions from the Treasury of the United States? Of course, these great organizations like the Standard Oil and the Fruit Trust and the Steel Trust will share in these benefits. Not only are they to derive these benefits in the future, but with a reported deficit of over \$700,000,000 the Treasury will have to pay back excess-profits and war-profit taxes beginning with the 1st of January, 1921. Mr. Chairman, it seems to me there is no use in intimating that these tax-exempt provisions are not of the very highest value. In fact, it was directly testified by those advocating this bill that the indirect aids were more valuable even than the direct aid or cash subsidy; and that is the only reason why the chairman of the Shipping Board says only "a modest sum" was provided for cash subsidies, because these indirect subsidies were regarded as the ones that would bear the burden.

Mr. SEARS. Will the gentleman yield?

Mr. BRIGGS. Yes.

Mr. SEARS. How much do the laboring people, the merchants, business men, and farmers of the West, North, East, and South get under this bill?

Mr. BRIGGS. The gentleman knows they get nothing under the bill.

Mr. SEARS. Why should they be overlooked?

Mr. FREAR. Will the gentleman yield?

Mr. BRIGGS. Yes.

Mr. FREAR. It was stated in this morning's paper by the Commissioner of Internal Revenue that the Treasury had \$1,400,000,000 less revenue this year than it had last.

Mr. BRIGGS. By the passage of this bill the Treasury will lose and have to restore some hundreds of millions of dollars to these rich corporations. That is the purpose of these retroactive provisions all through this bill—to restore excess profits and war taxes that have already been paid in. That purpose is manifest, and gentlemen will find that when these provisions are adopted that will be the result.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITE of Maine. Mr. Chairman, the Jones Act of 1920 provides for the exemption of the excess profits and war taxes of the 1918 act.

That act has gone out, and all we have done in this draft is to make those same general provisions of law available under existing tax statutes; that is all that has been done here.

Mr. CONNALLY of Texas. In other words, if a man has not taken advantage of the Jones Act, and has gone on and paid his income tax, he can come in now and take advantage of this act and get it back.

Mr. WHITE of Maine. He can not take advantage of that, because it has been repealed by the act of 1921. Does the gentleman mean the tax act?

Mr. CONNALLY of Texas. The gentleman says that this is reenacting existing law. If it is existing law, you do not need to reenact it.

Mr. WHITE of Maine. No; but we are trying to do something for American ships.

Mr. CONNALLY of Texas. By giving these parties retroactively something that they did not get under the Jones Act?

Mr. WHITE of Maine. The 1919 act continued in force and effect until November, 1921, and they had the benefit of that act up until that time. This bill simply gives them the benefit of the 1918 act, and it gives them the benefit of the 1921 act.

Mr. CONNALLY of Texas. What objection would the gentleman have to making it 1923?

Mr. WHITE of Maine. We do not want to cut them out, and we want to keep faith. We want them to have the benefits that the law contemplated they should have. Mr. Chairman, I move

that all debate upon this section and all amendments thereto be now closed.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The question was taken, and the amendment was rejected.

Mr. CONNALLY of Texas. Mr. Chairman, I move to amend, in line 13, page 9, by striking out the figures "1921" and inserting in lieu thereof the figures "1923."

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 9, line 13, strike out the figures "1921" and insert in lieu thereof the figures "1923."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

Mr. BANKHEAD. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. BANKHEAD: Pages 12 to 14, beginning at line 11, on page 12, strike out section 266.

Mr. BANKHEAD. Mr. Chairman, I understand that debate is closed on this amendment?

The CHAIRMAN. Debate is closed on this section and all amendments thereto. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Pages 9 to 17, strike out section 201.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The amendment was rejected; and on a division (demanded by Mr. DAVIS of Tennessee) there were—ayes 46, noes 59.

Mr. DICKINSON. Mr. Chairman, I offer to amend, on page 17, line 7, by striking out section 270.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DICKINSON: Page 17, line 7, strike out section 270.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Iowa.

The question was taken; and on a division (demanded by Mr. DICKINSON) there were—ayes 54, noes 66.

Mr. DICKINSON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. WHITE of Maine and Mr. DICKINSON to act as tellers.

The committee again divided; and the tellers reported—ayes 52, noes 82. So the amendment was rejected.

The Clerk read as follows:

SEC. 202. (a) Subdivision (a) of section 212 of the revenue act of 1921 is amended by striking out the word and figures "section 214" and inserting in lieu thereof the following: "sections 214, 265, and 266."

(b) Section 232 of the revenue act of 1921 is amended by striking out the word and figures "section 234" and inserting in lieu thereof the following: "sections 234, 265, and 266."

Mr. DAVIS of Tennessee. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 17, line 14, strike out section 202.

Mr. DAVIS of Tennessee. Mr. Chairman, this section simply extends the exemptions that were originally granted in the Jones Act. It widens them and covers other sections not covered in that act.

Mr. WHITE of Maine. Mr. Chairman, the amendment ought not to be agreed to, because this section simply fits what the committee has already adopted into the general scheme of the revenue act.

Mr. MONDELL. It rennumbers the sections.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The question was taken, and the amendment was rejected.

Mr. MONDELL. Mr. Chairman, I move that all debate upon this section and all amendments thereto do now close.

The motion was agreed to.

The Clerk read as follows:

#### DEPRECIATION OF VESSELS.

SEC. 203. Title II of the revenue act of 1921 is further amended by adding at the end thereof, after the sections added thereto by section 201 of this act, a new section to read as follows:

#### "DEPRECIATION OF VESSELS.

"SEC. 272. (a) That in the case of vessels registered, enrolled, or licensed, under the laws of the United States, the reasonable allowance for exhaustion, wear and tear, and obsolescence, provided in paragraph (8) of subdivision (a) of section 214, and in paragraph (7) of subdivision (a) of section 234, shall be determined, and allocated to the years in which sustained, under rules and regulations prescribed by the United States Shipping Board.

"(b) In the case of a vessel of 1,000 gross tons or more (as shown by her certificate of admeasurement), registered, enrolled, or licensed, under the laws of the United States, acquired after August 1, 1914, and prior to January 1, 1921, there shall be allowed for the taxable year 1922 and each of the four succeeding taxable years, a reasonable deduction for the exceptional decrease in value thereof since the date of acquisition, but not again including any amount otherwise allowed under this act or any previous act of Congress as a deduction in computing net income. This deduction shall be determined and allocated to the taxable year 1922 and the four succeeding taxable years under rules and regulations prescribed by the United States Shipping Board. At any time before March 15, 1927, the commissioner may, and at the request of the taxpayer shall, reexamine the return, and if he then finds as a result of an appraisal or from other evidence that the value on which the tentative deduction for exceptional decrease in value was based, was incorrect or has changed, the income, war-profits and excess-profits taxes for the year or years affected shall be redetermined; and the amount of tax due upon such redetermination, if any, shall be paid upon notice and demand by the collector, and the amount of tax overpaid, if any, shall be credited or refunded to the taxpayer in accordance with the provisions of section 252.

"(c) This section shall take effect as of January 1, 1922."

Mr. BRIGGS. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. BRIGGS: Page 17, beginning line 22, strike out all of section 203, section 273, down to and including line 13, page 19.

Mr. DAVIS of Tennessee. Mr. Chairman, I desire to offer a perfecting amendment, but I suppose I shall be permitted to do so before the vote is taken on this.

The CHAIRMAN. Certainly.

Mr. BRIGGS. Mr. Chairman, this provision in the bill, which I seek to strike from it, is one which is designed to allow vessels acquired between August 1, 1914, and January 1, 1921, extraordinary reductions in capital costs. At the hearings it was contended that many of the ships constructed had been built at very great cost.

It was also stated, however, that during the period of the war and subsequent thereto, within a year and a half, most, if not all, of those ships earned fabulous sums; that under the common and accepted practice it was required that the capital cost should be reduced out of the net earnings, and it was testified by the owners that they would have followed that practice had they been permitted to do so by the Internal Revenue Bureau and the revenue law and regulations, but that they were only allowed to write off 5 per cent depreciation. The result was that these great earnings—in some cases nearly equal to the value of the ship in a single voyage—actually wiped out the initial cost of the ships and the great profits made are revealed in the hearings and exhibited in the minority report. Instead, therefore, of writing off capital costs, these great earnings were distributed either in the form of dividends or carried to surplus, until some of these companies accumulated a surplus so large that they declared immense stock dividends and some are even now carrying an enormous surplus. It is proposed now, under the bill, to allow these companies to write down the cost of those vessels and secure tax exemptions of the most valuable character, and at the same time preserve the fruits and returns that they received from the enormously high freight rates—in some cases 1,250 per cent over pre-war rates—which they earned during the war and subsequent to the war. At the hearings no one could or would tell how valuable this tax exemption is or how much it will amount to. All that was disclosed was that this so-called indirect aid was very valuable and that the indirect aids are really more valuable than the direct ones. No provision is made in this section for crediting against these tax allowances the great earnings made during this period; and I say this amendment ought to be adopted and this provision stricken from the bill.

Mr. WHITE of Maine. Mr. Chairman, I never heard in the discussion of a revenue bill that there should be a charge against depreciation from the man who owned a vessel or any other instrumentality. The fact is this provision is put in here to bring the policy of the United States with respect of depreciation in conformity with the practice adopted by all the maritime nations of the world, and that is all. It aims to put us in this respect on a parity with the other maritime nations of the world. The amendment ought to be voted down, and the provision should stay in the bill.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer a perfecting amendment.



The CHAIRMAN. The Clerk will report the amendment.  
The Clerk read as follows:

On page 18, line 2, strike out subsection B.

Mr. DAVIS of Tennessee. Mr. Chairman, this subsection is a deduction upon a ship purchased between August, 1914, and January 1, 1921, and, as stated by my colleague [Mr. BRIGGS], this is for the purpose of relieving from taxation these shipping companies which profited upon our Government and upon the people during the war to an enormous extent. Winthrop Marvin, vice president and general manager of the American Steamship Owners' Association, admitted at the hearings that during the war American steamship lines ran up the freight rates over 1,250 per cent upon our Government and upon the public. As a result of the enormous profiteering in which they indulged when their country was in the midst of war they made enormous profits. They made hundreds of per cent annual profits. Some of them made several times the value of their total investment. And I wish to cite for your information some of the specific profits which they made as they are presented in the hearings and which have never been denied by any living soul. In the first place they made profits which were characterized as "almost fabulous" by W. J. Love, one of the \$35,000 experts, and described as "enormous" by J. B. Small, another of the \$35,000 experts of the Shipping Board. For instance, the American-Hawaiian Steamship Co. paid dividends of 200 per cent in 1916, and 405 per cent for 1917; the Luckenbach Steamship Co. made a net profit on its capital of 236 per cent in 1916 and 606 per cent profit in 1917. The Pacific Mail Steamship Co. made 365 per cent net profit on its capital stock in 1915-1920; the Atlantic, Gulf & West Indies Co. made net profits greater than its capital in 1915-1920, and during 1921, the very worst time in the history of shipping, according to its own annual report made a net income of \$1,781,337 after deducting all expenses, taxes, interest, and losses on sale of Liberty bonds; the United Fruit Co., with a capital stock of \$50,000,000, made net profits of \$94,147,500 in 1915-1920, paid dividends of \$77,080,277, and increased their surplus to \$66,176,490; the Dollar Steamship Lines made net profits on its capital stock of 322 per cent in 1916 and 104 per cent in 1917. And, remember, that the Standard Oil Co. and the United States Steel and some of the packer companies and the other industrial companies, who carry their own products and are making enormous and even outrageous profits, get the benefit of this provision to which I am directing my remarks.

Mr. EDMONDS. Mr. Chairman, will the gentleman yield for a question?

Mr. DAVIS of Tennessee. Yes; I yield.

Mr. EDMONDS. What steamship lines do the packer companies own that the gentleman talks about so frequently?

Mr. DAVIS of Tennessee. I do not recall the names of the lines any further than that I understand that some of them do own their own ships.

Mr. EDMONDS. I never heard of them.

Mr. DAVIS of Tennessee. Well, there are a lot of things that the gentleman never heard of. Assuming that he is correct, which I do not think he is, out of all the enormous and fabulous profits that I have enumerated, that is the only one about which the gentleman can take issue with me, because they are the facts.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. KNUTSON. Mr. Chairman, I move that the gentleman be given an additional minute.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The question was taken, and the Chairman announced that the "noes" appeared to have it.

Mr. DAVIS of Tennessee. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 41, noes 75.

Mr. DAVIS of Tennessee. Mr. Chairman, I demand tellers.

The CHAIRMAN. The gentleman from Tennessee demands tellers.

Tellers were ordered, and the Chair appointed Mr. WHITE of Maine and Mr. DAVIS of Tennessee to act as tellers.

The committee again divided; and the tellers reported—ayes 48, noes 90.

So the amendment was rejected.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas [Mr. BRIGGS].

The question was taken, and the Chairman announced that the "noes" appeared to have it.

Mr. BRIGGS. Mr. Chairman, I demand a division.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 25, noes 64.  
So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### INCOME-TAX CREDIT FOR TRANSPORTATION BY WATER.

SEC. 204. Title II of the revenue act of 1921 is further amended by adding, after the section added thereto by section 203 of this act, a new section, to read as follows:

#### CREDIT FOR AMOUNTS PAID FOR WATER TRANSPORTATION.

"SEC. 273. (a) That the tax computed under this title (less the credits provided by sections 222 and 238) shall be credited with an amount equal to 5 per cent of the amount of freight money paid (not accrued) by the taxpayer and for his own account during the taxable year and after the enactment of the merchant marine act, 1922, for the transportation after the enactment of such act in a vessel registered or enrolled and licensed under the laws of the United States of cargo not taken on board at a port in the coastwise trade and discharged at another port in such trade. If such transportation is in a vessel chartered by the owner of any part of the cargo from a person not affiliated with such owner within the meaning of subdivision (b), the amount of freight money paid by the charterer for the transportation of such part of the cargo shall, for the purposes of this section, be such amount as is determined by the United States Shipping Board and certified by it to the commissioner. In such cases the credit shall not be originally claimed by the taxpayer in his return, unless the return is accompanied by a copy of the certificate of the Shipping Board.

"(b) The credit provided in this section shall not be allowed with reference to transactions between persons who are affiliated. For the purposes of this section two or more corporations or associations shall be held to be affiliated if one corporation or association owns directly, or controls through closely affiliated interests or by a nominee or nominees, more than 50 per cent of the outstanding stock of or interest in the other; or if more than 50 per cent of the outstanding stock of or interest in such corporations or associations is owned directly, or controlled through closely affiliated interests or by a nominee or nominees, by the same interests. For the purposes of this section an individual or partnership shall be held to be affiliated with a corporation or association if more than 50 per cent of the outstanding stock of or interest in the corporation or association is owned directly, or controlled through closely affiliated interests or by a nominee or nominees, by the individual or partnership."

Mr. GRAHAM of Illinois. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GRAHAM of Illinois: Pages 19 to 21, strike out section 204.

Mr. GRAHAM of Illinois. Mr. Chairman and gentlemen of the committee, this section is the one that provides for a 5 per cent rebate to anyone who ships goods in a vessel documented under the laws of the United States. I think it is vicious. I think it is extremely dangerous.

By this section you give to the man who ships across the ocean a rebate of 5 per cent, or a deduction of 5 per cent on his income tax. That is, 5 per cent of the freight is to be considered as an exemption or a deduction, which, of course, is not 5 per cent of the income tax, but it might in some cases amount to all of the income tax. In other words, it may have the effect of exempting entirely certain classes of shippers from payment of income tax under the revenue law.

I do not believe that the American Congress wants to write that sort of a principle into any law. So far as I am concerned, I think it is so inherently vicious and bad that if it were to go into this bill I could not support the bill. I say that simply to state my own position; I do not claim to speak for anybody but myself. But I think this is a bad principle, and it should be taken out of the bill; and I appeal especially to the Members of the Republican side of the House to yield now to the demand that I think is insisted upon by the country, that this be not written into the bill if the bill is to be passed.

I ask those representing agricultural districts, why would not the same argument apply exactly to the cooperative associations out in Illinois and Iowa that have grain for export and which want to ship that grain across the sea? Do you say to those associations, "You may have 5 per cent off on your freight to the seaboard"? Not at all. The farmer is not exempted. No such exemption is given to him, but it is given to the commission man or to the shipper on the seaboard for his shipment across the sea. I can not defend that sort of a proposition. I do not know how we can explain that to the farmers of the country who are now complaining because of the high freight rates charged for the shipment of their products. I do not see how we can exempt those who ship commodities across the sea and at the same time say to the farmer, "You must continue to pay high freight rates and get no deduction on what you spend." [Applause.]

Mr. DICKINSON. Mr. Chairman, I have an amendment which I wish to offer. It is a perfecting amendment.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DICKINSON: Page 20, line 1, after the word "vessel," insert "or when transported by any common carrier for shipment in such vessel."



Mr. DICKINSON. Mr. Chairman, in support of this amendment I wish to say that the purpose—

Mr. EDMONDS. Mr. Chairman, I would like to make a point of order against that amendment. As I understand, it affects railroad rates. There is nothing in this bill that affects railroad rates.

Mr. BANKHEAD. Mr. Chairman, I make the point of order that the point of order comes too late.

The CHAIRMAN. The Chair is inclined to believe that the gentleman from Iowa had actually begun his argument.

Mr. LEHLBACH. The gentleman from Pennsylvania was on his feet and made the point of order as soon as he understood the purport of the amendment. The gentleman from Iowa [Mr. DICKINSON] was recognized but had not started.

The CHAIRMAN. The Chair was observing very closely the gentleman from Iowa and thought he had actually begun speaking, and the Chair should think that he had spoken at least half a dozen or ten words before the gentleman from Pennsylvania rose. Under those circumstances, and in face of the point of order, the Chair would be compelled to rule that it is too late.

Mr. LANGLEY. Mr. Chairman, can the amendment be again read?

The CHAIRMAN. If the gentleman from Iowa is willing to suspend for that purpose, the amendment may again be read.

Mr. BANKHEAD. Mr. Chairman, I object, unless I understand that no point of order can be made against it.

The CHAIRMAN. The gentleman had already begun his argument, and the Chair asked if the gentleman will yield for that purpose. Without objection the gentleman from Iowa [Mr. DICKINSON] having the floor, the amendment may be read for information of the House. The Clerk will read.

The Clerk read as follows:

Amendment offered by Mr. DICKINSON: Page 20, line 1, after the word "vessel," insert "or when transported by any common carrier for shipment in such vessel."

Mr. DICKINSON. The purpose of this amendment is to give the producer the same right to the deduction of 5 per cent from his income tax that the shipper has under this provision to have 5 per cent deducted from his income tax. It would apply to the farmer, it would apply to the manufacturer, it would apply to anyone who produced tonnage that is going to be shipped on these vessels across the sea. What could be more fair? Why should these men insist that the shipper have this privilege without giving it to the man who produces the cargo? I am here simply trying to get this provision into the law so that it will help the man who produces the cargo and give him permission to get 5 per cent of the freight he is compelled to pay deducted from his income tax the same as you give the shipowner the right to do.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Iowa [Mr. DICKINSON].

The question being taken, on a division (demanded by Mr. DICKINSON) there were—ayes 39, noes 61.

Accordingly, the amendment was rejected.

Mr. BRIGGS. Mr. Chairman, I have a perfecting amendment.

The CHAIRMAN. The gentleman from Texas offers a preferential amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BRIGGS: Page 20, line 18, strike out all of subdivision (b) after the word "affiliated," down to and including line 7, page 21.

Mr. BRIGGS. Mr. Chairman, this amendment strikes out the definition of the word "affiliated." It is my understanding that it is the contention that industrial companies like the Standard Oil, the Steel Trust, the Fruit Trust, and others would be denied the benefit of this 5 per cent rebate under the provision contained in the bill that "the credit provided in this section shall not be allowed with reference to transactions between persons who are affiliated." If just that language is allowed to stand, it is probable that it may have that effect, but if the definition of the word "affiliated" is continued in the bill it is probable that all those companies will also enjoy this 5 per cent rebate.

Why, the Federal Trade Commission not a great while since had occasion to investigate the acquisition of holdings by the Standard Oil Co. of Indiana in the Wyoming field, and they found that even the ownership of 30 or 40 per cent of the stock of another company would give the control to the corporation owning that amount of stock. The chairman of the Federal Trade Commission, to whom I addressed a letter upon this very question, wrote me as follows:

In effect it seems to be the fact that control seems to be dependent not so much upon the amount of stock that the active minority holder may own as upon the diversification of holdings and inert qualities of holders of the majority interests. One thing is certain, and that is that no mathematical proportion can be assigned as necessary to constitute control.

He also stated in that letter that it was notorious that Mr. Gould controlled the policies of the Missouri Pacific, although he owned no more than 23 per cent of the stock of that corporation, and that there were others where even less stock ownership was held that dominated the control of organizations. So this provision here that I seek to strike out, which defines affiliated companies as those having more than 50 per cent interest in another, would open the doors wide to any company to escape the limitation if it owned only 50 per cent of the stock. They could unquestionably enjoy the benefit of this 5 per cent rebate. If they owned 49 per cent, they could enjoy the benefit of this rebate. This definition is a most dangerous provision, if you are aiming to really prevent the benefits of the 5 per cent rebate from going to those great industrial corporations, like the Standard Oil and similar combinations, which do not really strongly lay claim, I understand, to any need for sharing in the subsidy.

Mr. WHITE of Maine. If the committee understands the provisions of this section at all as it is drawn, the Standard Oil Co., the United States Steel Corporation, and the United Fruit Co., and other companies which own vessels are not the beneficiaries under this section on account of their own commodities which they carry. That is the general proposition. Then this provision with respect to affiliated companies was put in so as to prevent companies like the Standard Oil, the United States Steel, and the United Fruit from using a subsidiary corporation for the carriage of their products and thereby getting the benefit of the 5 per cent deduction. It seems to me if that provision is stricken out it will accomplish the very thing you do not want to have permitted. You do not want these corporations, either directly or through a subsidiary or affiliated corporation, to get the benefit of this deduction. This was put in for that purpose, and we believe it accomplishes it.

I move that all debate on this section and all amendments thereto be now closed.

Mr. HAWLEY. May I ask a question?

The CHAIRMAN. The gentleman from Maine has moved that all debate on this section and all amendments thereto be now closed.

Mr. JOHNSON of Washington. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JOHNSON of Washington. I should like to know if an amendment is pending for the striking out of all of section 204?

The CHAIRMAN. It is.

Mr. HAWLEY. Will the gentleman from Maine withhold his motion? I would like to have five minutes. I have not spoken on the bill.

Mr. WHITE of Maine. If I may do so I will modify my motion so that all debate on the section and all amendments thereto shall close in 10 minutes.

Mr. DAVIS of Tennessee. I want five minutes.

The CHAIRMAN. The gentleman from Maine moves that all debate on this section and all amendments thereto close in 10 minutes.

The question was taken and the motion was agreed to.

Mr. HAWLEY. Mr. Chairman, I rise to support the amendment made by the gentleman from Illinois [Mr. GRAHAM] to strike out section 204. Under the revenue law in reckoning the income tax payable by any individual or corporation, a taxpayer first makes an accounting of his gross income. Then there are subtracted from the gross income reductions of two kinds. One is described under the law as deductions and the other described under the law as credits. After these are taken from the gross income you have the net income of the individual or corporation upon which the tax to be paid is computed. Now, the paragraph in this bill proposes something entirely new. It proposes that after the tax is calculated and ascertained there shall be a further deduction made. It uses the word "credit" in a new sense. Apparently it confuses the meaning. It provides that after the deductions and credits authorized by the revenue law are made a further "credit" shall be made; this further credit is not taken from the gross income, but is taken from the tax after it is assessed. There is no other case like that in the law, so far as I now recall.

Mr. WHITE of Maine. I think the gentleman is mistaken. Section 222 of the income tax law provides that the tax computed under the act shall be credited and then goes on to enumerate the number of items which are to be credited, just as we propose to do here. I think we have followed the phraseology of the income tax law.

Mr. HAWLEY. I think the gentleman is in error. The subtractions for deductions and credits made under the revenue law are from the gross income in order to ascertain the taxable net income, and not made from the tax upon the net income.



Mr. WHITE of Maine. I think the gentleman is in error.  
Mr. HAWLEY. Now, take the case of two business men engaged in the transaction or prosecution of any business or enterprise of the same character in any locality. If one deals in American-made goods and the other in goods brought in from abroad, then the man who brings his goods from abroad in American vessels and pays the ocean freight gets a deduction of 5 per cent on the amount paid for freight from his income tax while his competitor must pay the full amount.

Mr. JOHNSON of Washington. On this proposition?

Mr. HAWLEY. Yes; under the paragraph now under discussion. Suppose there were two business men in town doing an amount of business that would require each to pay \$30,000 as income tax every year. One man deals in foreign goods very largely and pays \$300,000 as freight on commodities carried in American bottoms. He is to get 5 per cent as a deduction from his income tax, or \$15,000, and so will pay only \$15,000. The other man, his competitor who deals solely in American goods, will pay an income tax of \$30,000 under the proposal in this paragraph.

Now, the policy of taxation, so far as the Government is concerned, is to hold an even balance between individuals and corporations, so that no one will be benefited at the expense of another as a result of any tax.

Mr. JOHNSON of Washington. A merchant who used American ships would have the benefit of 5 per cent of the amount paid for freight over his competitors who did not use American ships, since they dealt in goods of American production.

Mr. HAWLEY. Yes. It seems to me a vicious provision to deduct the amount from the income tax after once ascertained. And more than that, the taxing power should not be used to give one man or corporation an advantage in business over another man or corporation. I think the motion of the gentleman from Illinois [Mr. GRAHAM] should prevail. [Applause.]

Mr. DAVIS of Tennessee. Mr. Chairman—

The CHAIRMAN. The gentleman from Tennessee is recognized.

Mr. MONDELL. But, Mr. Chairman, the time so far occupied in debate on this amendment has been in the affirmative. Debate was limited to 10 minutes.

Mr. GARRETT of Tennessee. I suggest that the gentleman ask an extension of time of five minutes, and let the gentleman from Tennessee who has received recognition have that five minutes.

Mr. WHITE of Maine. I will let the gentleman from Tennessee proceed for three minutes and I will take two.

Mr. DAVIS of Tennessee. That will be satisfactory.

The CHAIRMAN. Then the Chair recognizes the gentleman from Tennessee for three minutes.

Mr. DAVIS of Tennessee. Mr. Chairman, we all recollect that the Jones bill contains section 34, which President Wilson and President Harding saw proper to decline to put into execution or attempt to do so. The failure to execute that provision was given as the chief reason for the passage of this bill. A little over two years ago the Jones bill was presented by the Republican Party as a complete solution of this question. The section under consideration is one that is designed to take the place of section 34. According to the statements of the proponents of the bill, they think this provision is more valuable to the shipping interests than section 34 would have been if put into execution. During the hearings Chairman Lasker said:

It is the belief of the Shipping Board that the proposed deduction from net Federal income tax of 5 per cent of the freight paid on goods imported or exported in American-flag vessels may do more to aid in the upbuilding of the American merchant marine than any proposal which is herein submitted to the Congress.

Section 34 provided preferential tariffs for American-flag ships, but this could only be applicable to dutiable imports. The operation of section 34 gave no preference to American ships on exports and no preference to American ships on nondutiable imports. The proposed 5 per cent deduction from taxes of the freights paid on goods imported or exported in American-flag vessels now made should insure a preference to American shippers on every ton of goods sold abroad or bought for consumption at home. This 5 per cent deduction is made in substitution of section 34, but we of the Shipping Board believe it is possible that this section will accomplish at less cost to the Treasury much more than might have been accomplished by section 34. \* \* \*

Nothing that can be devised, the Shipping Board feels, will so greatly insure volume to American ships as the 5 per cent tax deduction here proposed.

And on cross-examination the following occurred:

Mr. LAZARO. Mr. Lasker, you stated if the Jones law could have been carried out as a whole it would have given us an American merchant marine without asking for further legislation?

Mr. LASKER. In my belief.

Winthrop L. Marvin, general manager of the American Steamship Owners' Association, and the real father of this bill, in an article in Marine Engineering gave the same opinion as to the

value of this substitute for section 34, saying, among other things, that—

As a matter of fact, it is far more valuable and effective, for it would apply to all merchandise, dutiable or free, inward or outward.

Now, while all these things are admitted to be true, yet this bill not only proposes an enactment of this provision but an enactment of innumerable other provisions carrying heavy subsidies and various other indirect aids, imposing burdens upon the taxpayers of more than \$65,000,000 per annum in addition to cost of the provision in question.

Mr. WHITE of Maine. Mr. Chairman, the situation to which this section relates is simply this: Under previous legislation, far back in the shipping history of this country, we used discriminating duties. Either we levied an additional duty on goods brought here in foreign ships, or, on the other hand, we levied a less rate of duty on goods brought in in American ships. Either was an incentive to transport goods in an American ship. The possibility of doing that thing has been denied. We are up against a situation where through long years foreign lines have intrenched themselves in the control of the movement of American goods to and from foreign ports. They are intrenched to-day, and one of our great problems is to get the American shipper to utilize American ships for the movement of his goods. Boiled right straight down to its final analysis this is an inducement to the American shipper to use the American ships for the carriage of his goods both across the water to foreign ports and from foreign ports back here. The 5 per cent deduction does not go to the ship operator. It goes to the man who owns the goods and who ships those goods in foreign commerce in our vessels. We believe that it will be a powerful inducement to American shippers to overcome their long habit of utilizing foreign ships and be a great inducement to American shippers to utilize henceforth American ships. We believe that in full cargoes is profit for American ships and the assurance of an American merchant marine.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

The CHAIRMAN. The question now recurs on the motion of the gentleman from Illinois to strike out the section.

The question was taken; and on a division (demanded by Mr. JOHNSON of Washington) there were—ayes 56, noes 47.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 205. Subdivision (b) of section 213 of the revenue act of 1921 is amended by striking out the period at the end of paragraph (13) thereof, and inserting in lieu thereof a semicolon, and by adding after paragraph (13) a new paragraph to read as follows:

"(14) Amounts received by the owner of a vessel under section 403 of the merchant marine act, 1922, out of the merchant marine fund created by such act."

Mr. WHITE of Maine. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE of Maine: Page 21, line 9, strike out the figures "205" and insert in lieu thereof the figures "204."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

#### TONNAGE DUTIES.

SEC. 206. After 30 days from the enactment of this act all amounts required to be levied, collected, and paid as tonnage duties, tonnage taxes, or light money, except such amounts as are required to be paid into the treasury of the Philippine Islands, shall be double the amounts which would be required to be levied, collected, and paid if this act had not been enacted. This section shall not apply in the case of a sailing vessel (as defined in sec. 405) of less than 1,000 gross tons, or in the case of any other kind of vessel of less than 1,500 gross tons.

Mr. WHITE of Maine. Mr. Chairman, on page 21, line 18, I move to strike out the numerals "206" and insert in lieu thereof the numerals "205."

The CHAIRMAN. Without objection, the Clerk will change the numbering of the section.

There was no objection.

The Clerk read as follows:

#### TITLE III.—TRANSPORTATION OF IMMIGRANTS BY WATER.

SEC. 301. As nearly as practicable one-half of the total number of immigrants admitted to the United States in any fiscal year shall be transported in vessels registered, or enrolled and licensed, under the laws of the United States.

Mr. RAKER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. RAKER: Page 22, line 3, strike out all of section 301, being lines 3 to 8, both inclusive, on page 22.



Mr. JOHNSON of Washington. Mr. Chairman, it is generally conceded that, if possible, any immigrants who are permitted to come into the United States should come in American ships, if we have the ships. But as a matter of equity it is not considered advisable to suggest that more than one-half come in that way. Several countries have laws regulating emigration and have laws in regard to immigration. Other countries say by law or by order how their emigrants shall travel, and now the United States proposes in this section of the merchant marine bill to say that if any immigrants come, one-half shall come in ships of the United States. We might write all the details into this law, but we can do it better in another bill which is to come later. A section following the one now under discussion deals with treaties and gives the President the right to act in opposition to treaties, if necessary. The assumption is, and I think it will turn out to be just that way, that the State Department will open negotiations with those countries which seem to be desirous of sending emigrants to us which will lead to an arrangement by which 50 per cent will come on American ships. Of course, this does not mean that more shall come than our immigration laws permit.

I can not see that this proposal will open the way for an increase in immigration if Congress decides we shall not have that increase, but it will give a chance to the American ships to permit the relatives in this country to lay down the money here in the United States for the passage of relatives now in Europe—

Mr. STEVENSON. If the gentleman will permit, I notice an interview by Mr. Mellon by which he advocated the open door for labor immigrants and the exclusion of others. Will this affect that in any way?

Mr. JOHNSON of Washington. If the gentleman will read the remarks made by me in the CONGRESSIONAL RECORD of Friday he will find a complete answer. The immigration laws are not to be weakened, loosened, or opened. I think his proposal is fair to the United States, in encouraging United States shipping, and ultimately help us to properly regulate immigration to the benefit of all concerned.

Mr. MONDELL. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

Mr. BOX. Mr. Chairman, I have sent to the Clerk's desk a perfecting amendment.

The CHAIRMAN. The gentleman from Wyoming moves that all debate on this section and all amendments thereto do now close.

Mr. BOX. I move to amend that by making it in five minutes. I have a perfecting amendment which I wish to present at this time, and the Chair, expecting he would be able to do it, assured me I would be recognized.

The CHAIRMAN. The gentleman will be able to present it in any case.

Mr. BOX. I move to amend the gentleman's motion by making debate close in five minutes.

The CHAIRMAN. The gentleman from Texas offers an amendment to the motion that debate close in five minutes.

Mr. MONDELL. I will agree to modify it and make the debate close in six minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. BOX. I desire to offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. Box: Page 22, line 7, after the word "year," insert the words "in compliance with the immigration laws of the United States."

Mr. BOX. Mr. Chairman and gentlemen of the committee, I present this amendment for the purpose of getting a brief expression of my objection to this provision and my suggestion of a needed amendment to a subsequent section before the committee.

Mr. GREENE of Massachusetts. I will accept the amendment.

Mr. BOX. I want to continue, if I may. [Laughter.]

The CHAIRMAN. The Chair recognized the gentleman for five minutes.

Mr. BOX. The point is that I expect to follow this amendment up by a subsequent one, which was my purpose in presenting this one.

I offer this amendment at this time in the hope that in the time allowed me I may get into the minds of the membership the necessity for an amendment which I expect to offer to a subsequent paragraph. An amendment embodying the idea suggested by this one should be carried into section 303 of this title. It is suggested that this or any like amendment undertakes to direct the President in the exercise of his treaty-

making power, but that is exactly what section 303 of this title already undertakes to do. If we are going to make any suggestions as to his manner of exercising that power, which the bill as presented by the committee does, I want us not to couple that suggestion with any hint that we think he should modify the law to meet the treaties. In his action in dealing with the immigration laws, with the advice and consent of the Senate, he will be making "the supreme law of the land," before which prior immigration statutes will have to give way. If we are to suggest anything, let us suggest that he make the treaties fit our immigration statutes. When he carries the regulation of immigration into the treaty-making functions of his office he enters into a forum where the voice of foreign powers must be heard and their will consulted. I hope that there may be an affirmative declaration by Congress that when the treaty-making power is exercised by the President, as suggested by this title, it should be done in compliance with the immigration laws. [Applause.]

Mr. EDMONDS. Mr. Chairman, all I have got to say is that the English papers are discussing this bill in England and their friends here, and they say that if we leave off the 5 per cent tax deduction and take out this immigration section they do not care what kind of a bill we pass.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was rejected.

Mr. CONNALLY of Texas. Mr. Chairman, a point of order. What amendment was the Chair ruling on?

The CHAIRMAN. The gentleman's from Texas [Mr. Box].

Mr. CONNALLY of Texas. A point of order. The Chair announced that the amendment was accepted, and no one objected. Does not the Chair think that that—

Mr. EDMONDS. That is the first amendment that he offered.

The CHAIRMAN. The amendment offered by the gentleman from California is still pending.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 302. The Commissioner General of Immigration, with the approval of the Secretary of Labor, shall make regulations necessary for the enforcement of section 301. All such regulations, in so far as they relate to the administration of such section by diplomatic or consular officers of the United States, shall be subject to the approval of the Secretary of State.

Mr. EDMONDS. Mr. Chairman, I do not know what the gentleman means by talking about Mr. Rossbottom, or why he quotes from him; but I do know that Mr. Rossbottom is trying to arrange to have three or four of his ships changed so that he can carry immigrants. Several times "Nauticus" has stated that all the foreigners care about is for us to take out the income-tax exemption of shippers and take out the immigration provisions, and then we can pass any legislation that we please. The people of Italy require that all their immigrants shall travel on Italian ships.

Mr. RAKER. Will the gentleman allow me to state what Mr. Lasker said on that subject?

Mr. EDMONDS. I can not yield now.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield for a brief question?

Mr. EDMONDS. I can not yield now.

The CHAIRMAN. The gentleman declines to yield.

Mr. EDMONDS. Before the war the immigration into this country was divided up between the English and the German and the Holland lines. We got no show at it. If you propose to run your ships, you have got to have immigration. The gentleman from California [Mr. RAKER] is opposed to any change of law except by his committee. Any law that we have on the books has to be changed by his committee.

Mr. MONDELL. Mr. Chairman, I move that all debate on this section and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from Wyoming moves that all debate on this section and all amendments thereto be now closed. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from California [Mr. RAKER].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 303. Section 301 shall not take effect as to immigrants transported in a vessel documented under the laws of any foreign country until a time fixed by proclamation of the President. The President is authorized and directed, whenever in his opinion the provisions of this title or of regulations made thereunder, are or may be in conflict with treaties or conventions with a foreign country, to take such steps as may, in his opinion, be necessary to remove such conflict. Whenever, in his opinion, no such conflict exists in the case of any country he



shall so proclaim, and the provisions of this title and regulations made thereunder shall take effect in the case of immigrants transported in vessels documented under the laws of such country at the time specified in his proclamation therefor.

Mr. BOX. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Texas.

The Clerk read as follows:

Amendment offered by Mr. Box: Page 20, line 23, after the word "conflict," strike out the period and insert in lieu thereof the following: "by making such treaties or conventions conform to the provisions of this title and all other immigration laws of the United States."

Mr. CHINDBLOM. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CHINDBLOM. We can not by legislation establish the terms of the treaty to be made by the President. It belongs to the Executive department. A treaty once negotiated by the President is subject only to approval by the Senate. We can not in this legislation provide for the terms of a treaty.

The CHAIRMAN. The gentleman raises a constitutional question. It is not within the province of the Chair to determine that. The Chair will examine the amendment. The Chair overrules the point of order.

Mr. BOX. Mr. Chairman and gentlemen, I invite your attention to this in connection with the point of order which the gentleman from Illinois [Mr. CHINDBLOM] makes. He makes a point that is probably valid from the constitutional standpoint, that we have no power to direct the President as to the making of treaties, but that is what we are doing in this section with or without any amendment.

Now, that being so, we can not instruct him to change these treaties; but it is the law, as I understand, that a treaty made and ratified will invalidate or repeal a prior statute, and having no authority to direct the President in his power to deal with one of two things, one of which is treaties and the other of which is statutes, we are telling him to bring these two conflicting things together. Our effort to give any direction is only an effort to authorize him to bend the statutes to fit treaties which we have no power to direct him in making.

Title 3, sections 301, 302, 303, and 304, provide that as nearly as practicable one-half of the total number of immigrants admitted to the United States in any fiscal year shall be transported in vessels registered or enrolled and licensed under the laws of the United States. Subsequent paragraphs of title 3 plainly recognize the fact that this is violative of our treaties with many foreign powers. This fact is admitted by the gentleman from Pennsylvania [Mr. EDMONDS], as shown by the following, taken from column 1, page 92, of the CONGRESSIONAL RECORD of November 23:

Mr. RAKER. The idea was in the committee that this provision violated about 32 treaties.

Mr. EDMONDS. I think that is right.

My understanding is that the essence of the conflict between this provision and other treaties is much the same as that of the conflict between section 34 of the Jones Act and the treaties. Section 34 did not designate the points of conflict between it and all of the treaties. A general review of a great many of our treaties, and a thorough understanding of each, would be necessary to locate all these points of conflict. That was left to the President. I think the same would be found true of the conflict between this clause and the 30 or more treaties with which it would conflict. I think one of these conflicts is illustrated by a comparison between this clause and a clause in our treaty with Serbia, concluded October 14, 1881, which is as follows:

There shall be reciprocally full and entire liberty of commerce and navigation between the citizens and subjects of the two high contracting parties. (Vol. 14 Senate Documents, 66th Cong., 1st sess., 1919, p. 36.)

The fact that stipulations such as this ramify our whole system of treaties of commerce and navigation, and the further fact that the denunciation of one clause of a treaty might, in effect, destroy the whole treaty and release the other party from all the obligations thereof, were evidently elements which deterred Presidents Wilson and Harding from denouncing these treaties. The same appalling difficulty attends the execution of the plan outlined in Title III.

That difficulty has been so great that neither President Wilson nor President Harding would undertake to overcome it, and I doubt if any wise President would. But great as that difficulty is, and forceful as is the objection which it presents to the enactment of Title III, I do not regard it as the most serious objection to it. The most serious objection is in the fact that this particular title, in effect, authorizes the President to abrogate provisions of our immigration laws. It seems to be conceded that a treaty negotiated and ratified after the

passage of an act of Congress may modify or repeal a prior legislative enactment by Congress. In the American Journal of International Law, No. 15, 1921, page 34, Jesse S. Reeves, professor of political science of the University of Michigan, says:

On the other hand, a treaty may not only create a new international obligation but may modify, by way of amendment or repeal, a prior expression of the legislative will as expressed by Congress.

It is believed that many authorities could be found in support of this proposition if time permitted a collection and statement of them, and that the proposition is necessarily involved in the larger proposition that the treaties made by the President, with the advice and consent of the Senate, are the supreme law of the land.

Now, what have we in Title III? Section 301 violates the provisions of 32 treaties of the United States with foreign powers. Section 303 provides:

The President is authorized and directed, whenever in his opinion the provisions of this title or regulations thereunder are, or may be, in conflict with treaties or conventions with a foreign country, to take such steps as may in his opinion be necessary to remove such conflict.

Here the President is authorized and directed to deal with two things: First, with treaties; second, with statutory law and regulations made in obedience to it. Any authority or direction to the President concerning his treaty-making power is void. It has no legal effect, and more than one President has so treated it. But the power which this invites him to exercise over statutory law is substantial. We may not tell the President how he shall exercise his treaty-making power, but we can in advance suggest and invite his abrogation of statutory provisions of the immigration laws by directing him to deal with two things which may be in conflict so as to remove the conflict. If we had power to direct in both, that would give him authority over both, but he already has authority over at least one, and we are suggesting that he exercise that authority for the modification of our immigration laws.

One of the greatest dangers to which the immigration laws have been exposed during recent years has, in my judgment, been the danger of passing them over to the control of the treaty-making power. Foreign countries have a say in the making of treaties. When Congress invites the President to control immigration laws by the treaty-making power it invites the President to consult with foreign countries and meet their views on our immigration policies. There can be no treaty with a foreign power except upon terms acceptable to such foreign power. If our immigration laws ever come in actual practice to be controlled by the President in his treaty making, they will pass into that forum where the voice of foreign powers must be heard and their wishes consulted. We all know that they want to unload their surplus and undesirable population upon us. They will not agree to treaties made exclusively in our interests, as we have a right to make our immigration laws; therefore we shall insist that our immigration policies shall be controlled by Congress and not by the President through the treaty-making power.

I call special attention to the fact that nearly all of our leading immigration laws restricting immigration have had to be passed over the Presidents' vetoes. Our Presidents have not usually been in sympathy with the views of the people on this subject, and have repeatedly used the veto power to prevent them from giving expression to what they have repeatedly tried to say for themselves and their posterity. In 1879 President Hayes vetoed the first Chinese exclusion act. (2 I. C. R. 580.) In 1882 President Arthur vetoed an act suspending Chinese immigration for a period of 20 years. (2 I. C. R. 581.) On March 3, 1897, President Cleveland vetoed an immigration act excluding illiterates (2 I. C. R. 573.) President Taft vetoed an immigration bill in 1913 containing a restriction against the admission of illiterates. (Page 101, RECORD, special session, 59th Cong.) In 1917 President Wilson vetoed an act excluding illiterates, but Congress passed it over his veto.

The present 3 per cent law and extensions of it, have been approved by President Harding, which is an exception to the rule which usually applies, but we have no assurance that the exception will hereafter control the present or future Presidents. I am convinced that the purpose of the principal provisions of Title III are to enable Mr. Lasker, the chairman of the Shipping Board, and the private shipping companies, in whose interests this bill is proposed, to get control of the immigration laws so as to prevent their restricting the profits of the lawless steamship companies who bring immigrants here. Their record in dealing with it is marked throughout by disregard of law and the public interest, in return for which we are subsidizing them and placing them in a position in which, through their advocate, Mr. Lasker, they can mislead the President and, for the purpose of making money out of immigration



traffic, weaken or disregard vital parts of the immigration laws, every wholesome and restrictive feature of which they so much hate.

But if we say to the President that whatever he does with the subject should be in harmony with the law as now existing we are maintaining that which it is our duty to maintain. It would be extreme folly, I am afraid—serious and calamitous folly—for us to abandon the control of this part of our national policy to the Executive. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. MONDELL. Mr. Chairman, I rise in opposition to the amendment. I do not think it is either wise or necessary to direct or advise the President in the matter of treaty making.

I move that all debate on this section and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from Wyoming moves that all debate on this section and all amendments thereto be now closed.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. Box.]

The question being taken, the amendment was rejected.

Mr. RAKER. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from California moves to strike out the section.

The question being taken, the motion was rejected.

Mr. BOX. Mr. Chairman, I ask leave to revise and extend my remarks in the Record.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to revise and extend his remarks in the Record. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 304. The term "United States" as used in this title in a geographical sense means the several States, the Territories of Alaska and Hawaii, the District of Columbia, Porto Rico, and the Virgin Islands.

Mr. RAKER. Mr. Chairman, I move to strike out the section.

Mr. GREENE of Massachusetts. I move that the committee do now rise.

The CHAIRMAN. The gentleman from California moves to strike out the section. The gentleman from Massachusetts moves that the committee do now rise. The motion of the gentleman from California will be pending in the morning.

The motion of Mr. GREENE of Massachusetts was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 12817) to amend and supplement the merchant marine act of 1920, and for other purposes; had come to no resolution thereon.

#### LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted—

To Mr. TUCKER, for to-day, on account of sickness.

To Mr. DAVIS of Minnesota, indefinitely, on account of illness.

#### LEAVE TO EXTEND REMARKS.

Mr. BRIGGS. Mr. Speaker, I ask unanimous consent to extend my remarks made in the debate on this bill.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the Record on this bill. Is there objection?

Mr. BRIGGS. Mr. Speaker, there seems to be some confusion in the House as to whether permission to extend remarks has been granted to Members generally who speak upon this bill. I understood that that leave had been granted.

The SPEAKER. No such permission has been granted as yet.

#### HOUR OF MEETING TO-MORROW.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow. I make this request in order that we may, if possible, dispose of at least the major portion of the bill to-morrow, in order that we may have the final vote promptly at 4 o'clock on Wednesday, or possibly a little earlier, if that is agreeable to gentlemen on both sides.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that when the House adjourns to-day it adjourn to meet to-morrow at 11 o'clock. Is there objection?

There was no objection.

#### ADJOURNMENT.

Mr. MONDELL. I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 39 minutes p. m.) the House adjourned until Tuesday, November 28, 1922, at 11 o'clock a. m.

#### EXECUTIVE COMMUNICATIONS, ETC.

710. Under clause 2 of Rule XXIV, a letter from the Acting Secretary of Labor, transmitting a statement of typewriters, adding machines, and other labor-saving devices exchanged in part payment for new machines during the fiscal year ended June 30, 1922, was taken from the Speaker's table and referred to the Committee on Appropriations.

#### CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 9847) granting an increase of pension to Agnes Allen; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 12845) granting a pension to William Karch; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 12875) granting a pension to Tracey M. Halley; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. LINEBERGER: A bill (H. R. 13045) amending the Army appropriation act approved July 9, 1918, providing for appointment and retirement of officers of the Medical Reserve Corps or contract surgeons; to the Committee on Military Affairs.

By Mr. LYON: A bill (H. R. 13046) authorizing the Secretary of the Treasury to convey to the city of Wilmington, N. C., marine hospital reservation; to the Committee on Public Buildings and Grounds.

By Mr. STRONG of Kansas: A bill (H. R. 13047) to amend sections 3, 4, 6, 9, 12, and 15 of the act of Congress approved July 17, 1916, known as the Federal farm loan act; to the Committee on Banking and Currency.

By Mr. UNDERHILL: Joint resolution (H. J. Res. 395) authorizing the Director of the United States Veterans' Bureau to continue the operation of United States Veterans' Hospital No. 36; to the Committee on Interstate and Foreign Commerce.

By Mr. FOCHT: Joint resolution (H. J. Res. 396) providing funds for the maintenance of public order and the protection of life and property during the convention of the Imperial Council of the Mystic Shrine in the District of Columbia June 5, 6, and 7, 1923, and for other purposes; to the Committee on the District of Columbia.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENHAM: A bill (H. R. 13048) to correct the military record of Jacob Shuey; to the Committee on Military Affairs.

By Mr. FROTHINGHAM: A bill (H. R. 13049) for the relief of Philip T. Post; to the Committee on Claims.

By Mr. GOULD: A bill (H. R. 13050) granting a pension to Sarah Palmer; to the Committee on Invalid Pensions.

By Mr. HARDY of Colorado: A bill (H. R. 13051) granting a pension to Henrietta F. McAuliffe; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 13052) granting a pension to John Bergman; to the Committee on Pensions.

By Mr. MICHENER: A bill (H. R. 13053) for the relief of Vanrenslear Vander Cook, alias William Snyder; to the Committee on Military Affairs.

Also, a bill (H. R. 13054) granting a pension to John Wilkinson; to the Committee on Invalid Pensions.

By Mr. REECE: A bill (H. R. 13055) granting a pension to Barsha Story; to the Committee on Invalid Pensions.

By Mr. ROSE: A bill (H. R. 13056) granting an increase of pension to Eliza Jane Shoenfelt; to the Committee on Pensions.

Also, a bill (H. R. 13057) granting a pension to Laura Birkhiemer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13058) granting a pension to Carrie M. Black; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13059) granting a pension to William A. Shirley; to the Committee on Pensions.

Also, a bill (H. R. 13060) granting a pension to Millie Rex; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13061) granting a pension to Mary J. Robbette; to the Committee on Invalid Pensions.



By Mr. VOIGT: A bill (H. R. 13062) granting a pension to Maud Monrean; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13063) granting a pension to Anna Maria Craig; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6470. By the SPEAKER (by request): Petition of J. J. Castellini, of Cincinnati, Ohio, favoring the passage of the American merchant marine bill (H. R. 12817); to the Committee on the Merchant Marine and Fisheries.

6471. By Mr. KINDRED: Petition of Cleveland A. Dunn, of New York, N. Y., relative to district offices in the Department of Commerce; to the Committee on Interstate and Foreign Commerce.

6472. By Mr. KISSEL: Petition of E. F. Warner, publisher Field and Stream, New York City, N. Y., relative to the national parks; to the Committee on the Public Lands.

6473. By Mr. LYON: Resolution of Department of Christian Social Service of the Episcopal Church, submitted by Rev. Thomas C. Darst, bishop of East Carolina, asking for emergency immigration legislation for relief of Near East refugees; to the Committee on Immigration and Naturalization.

6474. By Mr. ROSE: Petition of the Democratic Women's Organization of Cambria County, Pa., requesting Enforcement Agent Davis to separate law enforcement from politics and enforce the law impartially; to the Committee on the Judiciary.

#### SENATE.

TUESDAY, November 28, 1922.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

O Lord, our God, we bless Thee that though the heaven of heavens can not contain Thee, Thou art pleased to dwell with those who are of an humble and contrite heart. Grant unto us such a disposition of mind, of will, of soul, that we may come into that happy relationship to have Thy abiding presence when undertaking responsibility, meeting the demands of duty, and asking from Thee guidance in all the pathways along which we are called to travel. Hear us, we beseech of Thee, for all who need Thy help in the great demands of the present life and engagements, and glorify Thyself in and through us. Through Christ, our Lord. Amen.

#### CALL OF THE ROLL.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll and the following Senators answered to their names:

Ball	George	McKinley	Sheppard
Bayard	Glass	McLean	Shortridge
Borah	Gooding	McNary	Simmons
Brandeggee	Hale	Myers	Smoot
Broussard	Harrell	Nelson	Sterling
Calder	Harris	New	Sutherland
Cameron	Harrison	Townsend	
Capper	Heflin	Nicholson	Underwood
Culbertson	Jones, N. Mex.	Norris	Wadsworth
Cummins	Jones, Wash.	Overman	Walsh, Mass.
Curtis	Kellogg	Page	Walsh, Mont.
Dial	Keyes	Pepper	Warren
Edge	Ladd	Phipps	Watson
Elkins	Lodge	Pittman	Weller
Fletcher	La Follette	Ransdell	Willis
Frelinghuysen	McKellar	Rawson	
		Reed, Pa.	

Mr. FLETCHER. I desire to state that my colleague [Mr. TRAMMELL] is unavoidably absent. He is paired with the Senator from Rhode Island [Mr. COLT]. I will let this announcement stand for the day.

Mr. HARRISON. I wish to announce the unavoidable delay of my colleague, the senior Senator from Mississippi [Mr. WILLIAMS].

The PRESIDENT pro tempore. Sixty-three Senators have answered to their names. There is a quorum present.

#### THE JOURNAL.

The reading clerk proceeded to read the Journal of yesterday's proceedings.

Mr. CURTIS. I ask unanimous consent to dispense with the further reading of the Journal.

The PRESIDENT pro tempore. Is there objection?

Mr. HARRISON. Reserving the right to object for the present, I think every one will agree that we have one of the most efficient Journal clerks in the history of this body—

The PRESIDENT pro tempore. The Chair desires to observe that the question is not debatable.

Mr. HARRISON. I object, then.

The PRESIDENT pro tempore. The Secretary will read the Journal.

The reading clerk resumed the reading of the Journal, and after having read for some time,

Mr. HARRISON. There is so much confusion in the Chamber that we can not hear what the reading clerk is reading.

The PRESIDENT pro tempore. The Senate will be in order.

Mr. HARRISON. I suggest the absence of a quorum, so that Senators may hear the reading. It is very important.

Mr. CURTIS. I make the point of order that there has been no business transacted since the last call of the roll.

Mr. HEFLIN. Oh, yes, several things have happened.

The PRESIDENT pro tempore. The Secretary will proceed with the reading of the Journal, and the Senate will be in order.

Mr. CURTIS. I make the point of order that the reading of the Journal can not be interrupted by a call for a quorum.

The PRESIDENT pro tempore. The point of order is sustained, and the Secretary will proceed with the reading of the Journal.

Mr. HARRISON. I suggest that business has been transacted. Several pages of the Journal have been read, and I respectfully appeal from the decision of the Chair.

The PRESIDENT pro tempore. The Senator from Mississippi appeals from the decision of the Chair.

Mr. HARRISON. On that I ask for the yeas and nays.

The PRESIDENT pro tempore. The question is, Shall the ruling of the Chair stand as the judgment of the Senate? On which the Senator from Mississippi demands the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. BROUSSARD (when his name was called.) I have a general pair with the senior Senator from New Hampshire [Mr. MOSES]. I transfer that pair to the junior Senator from Rhode Island [Mr. GERRY], and vote "yea."

Mr. HALE (when his name was called.) I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Nevada [Mr. ODDIE], and vote "yea."

Mr. SUTHERLAND (when his name was called.) I transfer my general pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from New Mexico [Mr. BURSUM], and vote "yea."

Mr. WATSON (when his name was called.) I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the junior Senator from Missouri [Mr. SPENCER], and vote "yea."

The roll call was concluded.

Mr. EDGE. I transfer my general pair with the Senator from Oklahoma [Mr. OWEN] to the Senator from California [Mr. JOHNSON], and vote "yea."

Mr. STERLING (after having voted in the affirmative.) I have a general pair with the Senator from South Carolina [Mr. SMITH]. I find that Senator has not voted. I transfer my pair with him to my colleague [Mr. NORBECK], and permit my vote to stand.

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Arizona [Mr. ASHURST], and vote "yea."

Mr. GLASS. I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM]. In his absence I withhold my vote.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];

The Senator from Illinois [Mr. McCORMICK] with the Senator from Wyoming [Mr. KENDRICK]; and

The Senator from North Dakota [Mr. McCUMBER] with the Senator from Utah [Mr. KING].

The result was announced—yeas 60, nays 1, as follows:

#### YEAS—60.

Ball	Edge	Harrison	McKellar
Borah	Elkins	Heflin	McKinley
Brandeggee	Fletcher	Jones, N. Mex.	McLean
Broussard	Frelinghuysen	Jones, Wash.	McNary
Calder	George	Kellogg	Myers
Cameron	Gooding	Keyes	Nelson
Capper	Hale	Ladd	New
Caraway	Harrell	La Follette	Nicholson
Curtis	Harris	Lodge	Norris